THE FINANCIAL POST

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WILL TARIFF CUT TAKE PLACE OF TAX REDUCTION?

Doubtful if Robb's Savings Will Make Both Possible

BUSINESS BRIGHTENS

Increased Employment and Higher Prices for Farm Products Help Gradual Improvement

When the tax reduction proposals were submitted at Washington, the issue was raised: lower taxes or the soldiers' bonus—it was evident that there could not be both, that the same cake could not be eaten by both the soldiers and the taxpayers. Now Ottawa is considering a similar tax reduction program, and a somewhat similar issue has been raised: lower taxes or reduced tariffs— it will be hardly possible to embrace both in the budget, if the budget is to balance. Business is following the developments very closely, particularly in view of the adoption, with some modification, of the Mellon proposals in the United States. It is regarded as imperative that similar relief should be accorded competitive industry in this country. Otherwise there is little of importance in the business situation. Conditions continue to show gradual betterment. Trade in Western Canada shows improvement—particularly in Alberta. A rising market for agricultural products is a good sign, particularly as inflation in commodity prices has so far been avoided despite the accumulations of gold in the United States treasury.

Hopes for reduced taxation have been clouded by political developments. The government is to be given credit for efforts to cut expenses, but it would seem doubtful if Mr. Robb will be able to visit material benefits on the taxpayers if there is a reduction in the tariff, as intimated in the budget; further, the demands of the Western politicians for additional railways and a reduction in freight rates can hardly be regarded as a favorable augury in regard to capital expenditures, particularly when such projects would be accompanied by insistent calls for public works from the Pacific Coast, from the Maritimes and other parts of the country. The progressive leaders are exercising the balance of power to make demands on the government for legislation which, in the interests of the country, they would probably be reluctant to bring into effect if they were actually in power and had to take the responsibility on their own shoulders. This is the ideal position for the third party—to gain its end legislatively without assuming responsibility—but there is always a danger of pushing the government too far and precipitating an election. A government which could hold office without an alliance with another party would make for more stable conditions and for this reason an election with its attendant disturbance to business might have its compensations if it resulted in clearing the air.

Western Improvement

The improvement in business conditions in Western Canada and particularly in Alberta, is indicated in the increase of $14,000,000 in the Calgary February bank clearings; the figures were $30,000,000 for the month as compared with $16,000,000 in 1923. Calgary bank clearings have been showing an increase every month since last November. There is still a big quantity of grain being marketed. This is a result of the unusually heavy crops last year. It is stated that the grain marketing will continue with little change until seeding time. This crop movement has reflected on business conditions and reports indicate an improvement of about 100 per cent. as compared with last year, a situation borne out by the bank clearings.

A rising market for products of the farm is having a favorable effect on the buying power of the farmer, being a change from the recent trend. The Dominion Bureau of Statistics reports that the index number for grains, fruits, etc., rose from 139.5 to 141.1 in January, owing to the higher prices for grains. At the same time there was a decline in some of the general commodities. Commenting on this situation, the Teller, issued by the Sterling Bank, says that "it has been quite some time since there was a general feeling of optimism for the farmers' prospects as seemingly exists to-day; it looks as if there were certain real reasons why there will be consiedrably better times on the farm this year than last." The Teller looks for a continuation of the downward movement in commodity prices, while prices for farm products should hold steady.

Car loadings at 46,930 for the week ending February 23rd indicated a reduction of about 6,000 as compared with the previous week as the result of the severe weather conditions which prevailed but the showing was still about 2,800 cars above the corresponding period of last year. Considerable improvement in the em-

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Britishers Told How to Judge Canadian Schemes

The Canadian Chamber of Commerce in London has done a wise thing in issuing a warning to British investors who may be invited to venture their money in Canadian enterprises, thinks the London Times, which says: "Canada offers as many promising openings for the investment of British capital as any other part of the British Empire, but the fact that certain industries—notably the mining industry—are attracting particular attention at the moment, renders it all the more necessary that the British investing public should be on their guard against wildcat schemes, which are invariably pushed at times when unscrupulous company promoters imagine the investing public to be 'fed the feed.' The Canadian Chamber of Commerce advises the investor not to part with his money until he has sought and obtained authentic information from one or other of the following sources: The office of the High Commissioner of Canada, the Agents-General for the Canadian provinces at their London offices, and the London offices of the Canadian banks."

CANADIAN TRADE, CANADIAN PORTS

Government May Use British Preference as Lever to Gain Desired End

From Our Own Correspondent.

OTTAWA.—It is quite probable that in its efforts to satisfy the demands of the Maritime provinces something more will be done to make sure that Canadian trade may go through Canadian ports. The government may stipulate that the British preference shall apply only to imports thus routed.

It is known that the members from the Maritime provinces on both sides of the House favor this, and as those from the other portions of the country are not very serious in their objections, it is quite probable that the proposal will find an easy passage through parliament. That something like this is contemplated is evident from the following passage in the speech from the Throne: "Every effort will be made still further to develop the policy of Canadian trade via Canadian ports."

It is claimed that the amendment of last session, which confined the increase in the preference to imports coming through Canadian ports, has been quite successful in its operation.

LESS COMPETITION FROM EUROPE FOR CANADIAN PAPERS

This is Pleasing Prospect For the Coming Year

From Our Own Correspondent.

NEW YORK.—American newsprint manufacturers look for a sharp drop in the volume of overseas newsprint imports early in the spring. A number of contracts between American publishers and Scandinavian paper manufacturers are running out late this month and apparently will not be renewed. Most of the failures to renew will be the result of the dissatisfaction most of the American publishers feel regarding the way in which the Scandinavians have handled their American business. Others will be due to the fact that the Norwegian papermakers are in no position at present to contract to give prompt delivery of paper. Norway, according to private advices received in local banking circles, is tied up by a general strike, which began on the morning of February 22. All the pulp and paper mills are closed, and little hope of an early settlement of the difficulties which separate the unions and the employers is held out by those acquainted with conditions in the Norwegian industrial centres.

The Norwegian situation will, of course, affect not only the ability of the Norwegian pulp and paper makers to handle their American business, but will probably affect the willingness of other Scandinavian manufacturers to undertake further contracts for paper in the United States. The Norwegians general strike will force the Norwegian to drop out of the European market to a great extent. Their withdrawal will thus offer the Finnish and Scandinavian manufacturers an opportunity to pick up the business dropped by the Norwegians, they will not likely be able to resist. The Finns and Swedes will, therefore, be inclined, so local students of the situation tell your correspondent, to take any new European business offering and be inclined to let the American business go.

The result will be, of course, beneficial to the American and Canadian papermakers' market. This, as every student of the paper industry knows, has been kept in a most unsatisfactory condition for months by the overseas competition. The Finns and Scandinavians have been selling both pulp and paper in the American market at prices on the dock at New York which were in many cases below the American cost of production. While the volume of imports has been

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THE GOVERNMENT TO LEAVE BANK MEASURE ALONE

But No Guarantee as to What House Will Do

OTTAWA.—The reference to the banking situation in the speech from the Throne confirms the prediction that following the appointment of a commission of inquiry on the Home Bank, the government will endeavor to avoid further changes in the Bank Act. The government's position will probably be that the Act as amended at last session will prevent such developments as in the case of the Home and Merchants Banks, and that it should be given a fair trial without further business-disturbing changes.

This attitude will conform with the policy of Hon. Mr. Fielding in avoiding the assumption of that government responsibility for the banks which would be entailed in any system of government inspection. However, whether the members will be content with this program is distinctly another matter. There are a number of proposals heard which seem likely to get on the floor of the Commons for discussion, and it is difficult to tell what the outcome might be should the question be thrown into politics. Bills to provide for insurance of bank deposits and government inspection are being discussed.

While the bankers themselves may be regarded as having only one opinion as to the advisability of keeping their operations clear of government interference, high officals of a number of the banks have publicly declared that they have no objection to government supervision provided that it does not become an interference with their operations. They have evidently come to the conclusion that if the question is thrown into politics it would be better to endure with some form of government inspection rather than have public confidence disturbed.

Should the issue be pressed on the government it is quite possible that something may be done along the line of the suggestion recently made by J. W. Hamilton, general manager of the Union Bank. Mr. Hamilton expressed the idea that the amendments which were made to the Bank Act last session should be given a fair trial, but recognizing the danger of radical proposals he continued:

"I am convinced that if the Dominion government would nominate a small commission, or perhaps better still, if a small and select committee of the house was formed at the opening of the next session of parliament to confer with the bankers, it would ensure the bringing down of a well considered report from both points of view, which would give the public a sound basis upon which to review the whole situation. Moreover, it would tend to dispel the wrong notion held by a large section of the public that the bankers adopt a position of aloofness."

TO SEEK OPINIONS OF BUSINESS MEN

Canadian Council of Agriculture Trying to Get Away From Political Influences

From Our Own Correspondent.

REGINA. — The decision to drop out of politics and be absolutely independent hereafter of any political party, is not the only step towards their original policy which the Canadian Council of Agriculture has taken in endeavoring to get away from a strictly class movement. At the session of the council held here last week, it was decided to revive a former custom of the council in calling a conference of representatives of financial interests, railway companies and commercial institutions to discuss the present state of agriculture with a view to bringing about improved economic conditions and better mutual understanding.

OPPOSED TO OLEOMARGARINE

NELSON.—The Nelson Retail Merchants' Association has placed itself on record as opposed to the sale of oleomargarine in Canada, declaring that it is a United States product and worked against Canadian interests.

Big Flood of French Goods Because of Franc's Lost Value

From Our Own Correspondent.

OTTAWA.—Imports from France, Germany, and some other European countries are increasing so rapidly, and cutting so deeply into the sale of home produced goods, that it is practically certain that some of the legislation designed to keep them out will be re-enacted.

The increase in imports from France is giving even more alarm than is that from Germany even. This is due to the plunge downward of the value of the franc during the last year. The trade returns do not by any means tell the whole story of the growth of these imports, for it now takes between 20 and 25 francs to make a dollar, as compared with 5, when its value stands at par. This means that only by quantities can the real importance of imports from France be measured.

During January the value of imports from the French Republic was $1,372,251, but, stated in terms of the cost of Canadian production this represented probably $5,000,000. Considered in this light it is no wonder that alarm is expressed.

It is not thought that much opposition would be encountered from Western members, even if measures were taken to restrict this swelling tide of imports from France, due to the depreciated currency of that country, for a very large percentage of these imported goods belong to the luxuries' class.

Can Railroads Haul Alberta Coal on Same Basis as Wheat

Western Contention is That Much Lower Rate is Possible Than Yet Offered—Why Should Railroads Refuse Opportunity for Business?—Railway Commission to Answer

If the railroads can haul wheat from Alberta through Eastern Canada to the Atlantic coast at one price and make money, why cannot they haul coal at the same rate, thus supplying Canadian coal to supplant that now being imported from the United States—putting money now going out of the country into the hands of Western miners and mine owners to be spent for Eastern products? This is the question which is being raised in Alberta. And it is contended that the wheat rate is considerably lower than any rate yet proposed for hauling coal. The point is an interesting one. Yet it is hard to accept that the aggressive, close-competing railroads would be satisfied with the short haul on American coal if they can get the long haul on Alberta coal on a profit-paying basis.

The proposal to bring the whole matter before the railway commission is a sound one. That body should be able to deal with the question better than an expensive, special board of inquiry. Following is a summary of the Alberta argument as supplied by an Edmonton correspondent well posted on the situation.—Editor.

EDMONTON.—The report that an Ontario paper has started a campaign for the appointment of a royal commission to enquire into the railway rates on Alberta coal to Ontario does not cause any enthusiasm here. The facts are plain. Edmonton and Drumheller are respectively centres of domestic coal mining. Both are situated on, and served, by the National Railways system; Edmonton is on the Canadian Pacific Railway system as well. The actual rail distance from Edmonton to Toronto is 2,002 miles by the National lines; from Drumheller the distance is 13 miles less. From Edmonton to Toronto by Canadian Pacific Railway is 2,079 miles. It is stated that as a result of the investigations of the fuel committee of the House of Commons, during last session, it was shown that the lowest cost of moving a ton of coal from Edmonton to Toronto was $8.91; actual out-of-pocket expenses, without allowing anything for overhead.

The railways have already moved an immense volume of grain from the prairies to the lake front during the current crop season. Their returns indicate that the movement has been profitable. The heaviest crop of the West was in Alberta—the western part of Alberta; that part of which Edmonton and Calgary are the railroad collecting centres. Grain was not hauled from Edmonton and Calgary to Fort William at a loss. If it had been, the railways would assuredly have used greater endeavors to turn the out-flow of grain over the shorter haul westward to the Pacific at the higher rate there prevailing.

The railways hauled many million bushels of grain from Edmonton and Calgary to Fort William at $5.20 per ton—26 cents per 100 pounds. This grain was hauled by the car load, at the convenience of the shipper, during a period of great stress in shipments; in winter as well as in summer; and the railways evidently made money on the haul.

Wheat Versus Coal

It cannot be reasonably suggested that it would cost more to haul a ton of coal than a ton of wheat, or that the haul of a thirty-ton car for a thousand miles between Edmonton and Fort William would cost more per mile, or per ton, than to haul the same car for a second thousand miles to Toronto.

The rail distance, Edmonton to Fort William is: C. N. Rys., 1,244 miles; C. P. Ry., 1,267 miles; Drumheller to Fort William, 1,231 miles. As already stated, the rate on grain from Edmonton, Drumheller, or Calgary, to Fort William by C. N. Rys. or C. P. Ry., is 26 cents per 100 pounds, or $5.20 per ton. Averaging the rail distance at 1,250 miles, the rate of 26 cents per 100 pounds equals .416 cents per ton per 100 miles. Edmonton or Drumheller to Toronto at .416 cents per ton, per 100 miles is $8.32 a ton for the 2,000 miles.

If the Canadian National Railways' management is responsible for the published statement that a rate of $8.91 per ton to Toronto is only out-of-pocket costs, it is up to that management to explain why and how it costs more to haul a ton of coal than a ton of wheat, and why a ton weight

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HEAVY LOSS ON MANITOBA RURAL CREDITS SCHEME

But Not Good Politics to Reorganize Just Now

From Our Own Correspondent.

WINNIPEG.—At the present session of the legislature it was proposed that a bill be introduced amalgamating the Manitoba rural credits system, the Manitoba deposits offices, and the Manitoba farm loans board. Under the Manitoba rural credits system there is outstanding about $2,600,000 at the present time. The deposit offices have on hand at the present time more than $9,000,000. Under the Manitoba farm loans' scheme there is outstanding $8,250,000. Under the rural credit system loans are made for short terms of 3, 6, or 9 months, and under certain circumstances it is acknowledged at the start that the loans are renewable. This is the case when purchases of live stock are made. Under the Manitoba farms loans' scheme, loans have been made for a period of thirty odd years on the amortization principle.

The bill, which was to have been introduced in the legislature by the government, was to create a body corporate to have charge of all these affairs. In addition, it was the intention to give the body the supervision of the Winkler cow scheme, under which cattle were supplied to farmers in certain districts.

It appears certain now that the bill will not be submitted at this session; there is considerable difference of opinion with reference to the wisdom of the proposal. It is felt that it would be politically unwise to introduce at the present time the entire question of the maintenance of the savings office, the continuance of the rural credits system, and the operations of the farm loans association. An almost endless discussion would instantly begin, and the government would be exposed to a most terrible bombardment, and to some of the statements and allegations it might be quite difficult to make an adequate reply. The situation will, therefore, remain as it is until the next session of the legislature, when legislation of some nature will without doubt be introduced.

Friction and Changes

There have been some changes in the personnel of the management of the deposit offices in recent times. E. A. Weir, who was in charge of the deposit offices since they were opened, has taken a position with the immigration department of the Can-

(Continued on page 5)

Better Business Bureau of New York Uses Post's Inquiry Service

Shares of McKenzie Porcupine mines are being offered in this territory by Sovereign Securities Corp., Montreal, represented by John Stockdale. We are wondering if you have any information about this promotion and can give us the facts about the corporate structure, the personnel, the present activities of the company and your estimate of it as an investment.

The above letter came to the FINANCIAL POST from the Better Business Bureau, of New York City. That is an institution with the sole aim of protecting investors against unscrupulous stock salesmen. Not having the information on this proposition, they asked THE FINANCIAL POST for it.

THE POST'S answer follows:—

MacKenzie-Porcupine Mines gave Stockdale, of the Sovereign Securities Corporation, of Montreal, an option on a block of this stock. He fell down on his agreement, according to Mr. MacKenzie, who severed connections about four months ago. Mr. MacKenzie wonders what stock is Stockdale selling. It may be that he has got an option on a small block of stock from some individual shareholder in Montreal, or perhaps selling on the partial payment plan, and will buy the stock when the time of delivery arrives. We would appreciate it very much if you could forward information as to what methods are employed in selling this stock. MacKenzie-Porcupine Mines are a legitimate enterprise. The property is well located close to two of the largest producing gold mines in the North country, and while little work has been done so far on the property, surface indications and geological conditions are favorable. The stock is by no means to be regarded as an investment, rather is it to be regarded as a speculation of some merit, where those taking shares will be given a run for their money.

GOVERNMENT IS CALLED UPON TO ABOLISH I.W.W.

B. C. Associated Boards of Trade Urge Forceful Action

INSULT TO CANADA

One of Demands of Striking Lumber Workers is That I.W.W. Members in U.S. Jails Should be Set Free

NELSON. — A withering exposure of the I. W. W. by President Noble Binns, of Trail, marked the 24th annual convention here of the Associated Boards of Trade of Eastern British Columbia. He said:

"It is to be regretted that the ugly head of Bolshevism has again been raised in our midst, this time in an I.W.W. strike of lumber workers throughout the Crow's Nest District, and just when negotiations between Canadian employers and bona fide organizations have been making progress.

"It is indeed too bad that a political organization outlawed in the United States and with many of its members in jail there for crimes against the State should be allowed to invade this country and to seek to force recognition of its nefarious aims under the pretence of a lumber workers' strike.

"The demand of the striking I.W.W. dupes for the release of I.W.W. members held in United States jails for criminal acts is an insult to every Canadian.

"This country is and must be free and united. It was established and extended on the right of every man to work, and our Governments—both Dominion and Provincial—will be remiss in their duty if they allow to pass unchallenged this declaration of a United States Bolshevik organization that it can come into this Dominion and wreck its peace, industry and administration."

Injunction Against Pickets

CALGARY. — Much concern has been created throughout Alberta at the continued efforts of I. W. W. agitators in the lumber and logging camps of the Crows Nest Pass district. Organized expeditions to various camps have been carried out recently and clashes between the workers and the strikers have been narrowly averted on several occasions. Groups of these men have invaded some of the camps in mob formation for the purpose of forcing the men working to quit their employment. The worst feature is that they have been only too successful in some instances, particularly in the East Kootenay area.

The situation has now entered upon a new phase, however, five of the big lumber companies having secured an interim injunction of the court from picketing or interference with the workers. The companies are the Staples Lumber Company, Wycliffe; the Crows Nest Pass Lumber Company, Wardner; the B. C. Spruce Mills, Lumberton; the Baker Lumber Company, Waldo; and the Cranbrook Sash and Door Company, Cranbrook and Kitchener, B.C.

In the meantime to counteract the effect of the strike a large number of men have been sent from Calgary. As a matter of fact word has been received in the city now that all vacancies have been filled.

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Business With the West Indies

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THE DOMINION BANK

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THE Canadian Pacific Railway, through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In the Reference Libraries maintained at Montreal, Chicago and New York are complete data on natural resources, climate, labor, transportation, business openings, etc., in Canada. Additional data is constantly being added. No charge or obligation attaches to this service. Business organizations are invited to make use of it.

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TUESDAY. THE FIRST DAY OF APRIL

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By order of the Board.

Toronto, February 20th, 1924. WALTER F. WATKINS, Secretary.

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CHARTING THE BUSINESS ON BUDGET BASIS

An Industrial Month to Month Guide and Standard

CONTROLLING EXPENSE

An Important Feature of the Year's Program—Budget Means Co-ordination to the Fullest Degree

By WILLIAM CARSWELL, C.A.,
Of the Northern Electric Co., Ltd., in a Paper to the Canadian Society of Cost Accountants, Toronto.

As the chart and compass is to the mariner, so is the budget to the business executive. When compiled with care and foresight (and a budget prepared otherwise is worse than useless) it is a guide and standard by which the activities of the business can be studied from month to month. It has a special advantage in that it provides a stimulus to the heads of all departments, and all down the line of organization to put forth their best efforts, not only to accomplish the programme set for their performance, but to exceed it by the greatest possible margin. The realization of the budget which has been set for each department head gives him a definite mark at which to aim, and is a definite measure of what the executive expects of him. It gives a department head an opportunity to plan his organization to the best advantage, knowing that to a considerable degree his administration will be judged by the manner in which his responsibility is fulfilled and his budget is met. The executive officer on the other hand is relieved of a great deal of detailed supervision, and he has some concrete standard which he expects each of his department heads to live up to. In case anyone of his department heads does not live up to his budget the fact is brought before the executive before the situation can possibly become serious.

Any great discrepancy between the actual transactions and the estimates must result from one of three causes; estimates may have been carelessly prepared; the department heads may have departed from the program which they had set; or unusual outside conditions may have brought about the change.

In any event, these discrepancies should be investigated and explained. They are signals—sometimes danger signals—and must not be ignored. Thus, it will be seen that the budget forms a reasonably accurate forecast of the future conditions to be met by the management. It serves as a general guide in that it often forestalls mistakes and unwise moves, or, at least, points them out in time to avoid great loss. The budget forms the basis for a revision of plans when changing conditions make a revision necessary. Unless the management has some guide by which to gauge the concern's progress, it will not be able to tell at once when a change in plans is desirable, and losses or misdirected efforts must result.

A system of budgetary control is the best factor that can be devised to bring about the co-ordination of a business to the fullest degree. It is impossible to draw up a budget that is worthy of the name without holding many conferences on the subject and all departments must work toward the one end. Without such control it is quite possible that one department will work more or less at a tangent, and the results that would be obtained would naturally be more or less unbalanced Under budgetary control, for example, the manufacturing department is enabled to plan for the output required by the estimated sales in such a way as to result in the greatest possible economy. In this way standard lines of output can be run through in economical quantities instead of in smaller lots, and consequently costs can be kept on a uniformly low basis. On the other hand, the estimates of sales may require the production for the budget period to be curtailed so that large inventories may not be piled up in excess of the normal requirements of the business. The manufacturing department is also enabled to plan its organization and activities sufficiently far in advance to permit it to carry forward its operations with a minimum of disturbance and confusion. From the estimate of sales it can also arrange for quantities of raw materials to be ordered for delivery at the proper periods for the required production.

The financial department can plan the expenditure and receipts just as carefully as the sales department plans sales, or the manufacturing department plans production. By this means it is possible to prepare for financial requirements in advance of the actual need. This makes it necessary that the appropriation of the budget be closely followed. The treasurer would be in constant trouble if department heads were permitted to spend money without conforming to the standard which had previously been set for them.

Preparation of a budget makes it practicable for the expense of each department for the budget period to be determined on a basis commensurate with the volume of sales and production anticipated. The expense budgets of each department should, of course, be drawn up, having regard first of all, to the functions of the specific department, and the estimated volume of business to be done during the budget period. The expense budget when finally approved may be considered as a definite authorization to the department head to make the expenditures covered by his budget, and enables him to plan the organization and operation of his department for the budget period to the greatest possible advantage.

Pole Business Good In British Columbia

From Our Own Correspondent.

NELSON.—The pole business is flourishing in British Columbia. A. C. Yoder, manager of the Lindsley Brothers Canadian Company, one of the largest pole-making firms in the province, states: "We enjoyed as good a pole business last year as this company has ever had. Prices were good; payments were met promptly, and the producers received better prices for their poles last year than they ever did before in the history of the cedar business.

"A large part of the increase in business last year was due to the rebuilding program of the United States railways.

"This demand has now been pretty well filled, and we do not expect such strong business from that source this year. We do, however, expect an increased demand in Canada for the Western Red Cedar pole. Since 1918 there has been practically no construction work done in the prairie provinces. Again, many works in the East have been held up. The outlook for this spring is consequently very promising."

Decline in Value of Farming Properties

OTTAWA.—The average value of the occupied farm lands of Canada which includes both improved and unimproved land, together with dwelling houses, barns, stables, and other farm buildings, is returned as $37 per acre, as compared with $40 in 1922 and 1921. By provinces, the highest value is in British Columbia, $100, the remaining provinces showing values per acre as follows: Ontario, $64; Quebec, $56; Prince Edward Island, $51; New Brunswick, $32; Nova Scotia, $31; Manitoba, $28; Saskatchewan, $24 and Alberta $24. The average values in 1923 of orchards and fruit lands, including buildings, etc., in the fruit-growing districts, are estimated as follows: Nova Scotia, $122, as against $93 in 1922; Ontario, $127 for 1922 and 1923; British Columbia, $320 for 1922 and 1923.

LAKE FREIGHTERS ORDERED

Two big lake freighters have recently been ordered by the Great Lakes Transportation Co., and the Matthews' Steamship Co. The vessel for the Great Lakes Co. will be built by the Midland Shipbuilding Co., and will be 530 ft. long with 60 ft. beam and 32 ft. depth, while the vessel for the Matthews Co. will be constructed by the Collingwood Shipbuilding Co., and will be 550 feet long with 58 feet beam and 30 feet depth.

FREIGHT CHANGES HAVE ADVANTAGE FOR THE CARRIERS

Larger Cargoes Will Mean Economies for the Railroads

A number of very interesting changes will be brought about as result of a long series of meetings of a committee appointed to consider the revision of Freight Classification No. 17, which have just been concluded. Some details of these proposed changes have been secured by Hardware and Metal from one of the members of the committee. Briefly, the history of the subject is as follows:

Freight Classification No. 1 was adopted in the year 1884. New classifications were issued from time to time, having in mind changes in distribution methods and zones of consumption until the present classification, No. 17, was adopted in 1913. This one was soon out of date, and certain changes concerning mixed car shipments, minimum rates, etc., were recommended to the Dominion Railway Board by the carriers. Had these original recommendations been allowed to go through, it is stated by many manufacturers that costs of distribution would have been increased substantially, and many aggravating measures concerning mixed car shipments, minimum weights etc., would have become effective.

Such strenuous opposition was recorded that an agreement was made among all interests concerned, having for its object the appointing of the joint committee representative of the carriers, manufacturers, etc. It was decided to hold sessions and have a very thorough discussion of the 34 rules laid down in the classification. This was when the war was in progress, and difficulty was found in having a sufficient number of representative hearings. The meetings were therefore suspended indefinitely.

Early in 1921, the representatives of carriers approached representatives of manufacturers, boards of trade, etc., with a plan for appointing a joint committee to go fully into the matter. The committee was formed, and on February 8, 1921, the first session was held. The sessions continued periodically from then until a few days ago, when the final meeting was held.

"The classification was very materially modified," said one of the committee members. "But ninety-eight

(Continued on page 15)

Income Tax for Corporations

By ARTHUR H. ROWLAND, Montreal.

The main outlines of the Income War Tax Act and its amendments enacted in successive years, but not yet consolidated into one general law, are undoubtedly well known, and it is unnecessary to go over familiar ground. What I therefore propose is to mention some few things which are the subject of frequent discussion between the inspectors' staffs and taxpayers or their representatives.

One point in general, before coming to the particular: Accounting for income tax purposes does not always follow recognized or standard accounting practice. This is so, since accounting for income tax purposes must necessarily be subject to the limitations imposed by the legislative authority in its framing of income tax legislation. In saying this, I am, of course, merely pointing out something which is well known, but in my experience it is a point which frequently comes up with taxpayers and their representatives. In this connection, I desire to draw attention to a section of the amendments passed in 1923, (Section 3), which is perhaps not yet as well known as it might be, but the effect of which I venture to say is very far reaching. This section reads as follows:

"(8) In computing the amount of the profits or gains to be assessed, a deduction shall not be allowed in respect of:

(a) disbursements or expense not wholly, exclusively and necessarily laid out or expended for the purpose of earning the income, or

(b) any outlay, loss or replacement of capital or any payment on account of capital or any depreciation, depletion or obsolescence, except as otherwise provided in this Act."

The limitations imposed by these two paragraphs account for much of the administrative practice which forms frequent subject of discussion with taxpayers.

The Accounting Periods

As you are aware, by the 1919 amendments, returns for the fiscal period of a corporation were made mandatory. With regard to fiscal periods covering a longer time than twelve months, say for fifteen months, some interesting points arise. For instance, if a company changed the end of its year from September 30 to December 31, and, accordingly had a fifteen months' period ended at December 31, 1923, it would be assessed for 1923 on the taxable income for the full period of fifteen months, its returns and taxes being due on the 30th April, 1924. If, however, a company changed the end of its year from the 31st December to the 31st March, and having closed its books at 31st December, 1922, did not close them again until 31st March, 1924, its income tax returns and taxes would not be due and payable until 30th April, 1925, that is, there would be no income tax returns or payment of taxes in one year. In either case, the exemption is the standard one of $2,000, as it is also in cases which occur from time to time of new companies, or those ceasing operations, where the accounting period is less than twelve months. This arises from the fact that the exemption provided by the Income War Tax Act is a flat exemption, and not so much per annum.

Taking in the Inventories

These may be taken at cost, or market value, whichever is the lower. In certain cases, it may be said, where there has been an established practice of long standing of taking inventories on a basis other than this, such bases have been permitted for income tax purposes, provided that they are reasonable, having regard to the nature of the business. In the event of a loss being sustained through deflation of values, within twelve months of the close of an accounting period, consideration is given taxpayers' claims in connection with the inventory at the end of such period, when such claims are substantiated by documentary evidence. Claims of this kind were necessarily numerous, in connection with the heavy deflation of values of merchandise which took place at the end of 1920 and during 1921, and it may be hoped in the interests of industrial and commercial well being that the course of economic events in Canada for a long time will be such as not to necessitate heavy claims of this kind. Such claims are restricted by the department to claims in respect of actual merchandise on hand only, (raw materials, goods in process, finished goods), and they cannot be extended to cover losses on contracts which may have been entered into, but in respect of which deliveries have not been received at the inventory date.

Next week: The relation of organization expenses; re-organization expenses; depreciation; moving expenses and bad debts to corporation income tax.

TARIFF RULINGS

Canadian and Foreign Decisions of Interest to Exporters and Importers

OTTAWA.—The importation into Canada of cattle, sheep, swine, goats, dogs and poultry, or of the flesh, hides, horns, hoofs or other parts of such animals, or of hay, straw, fodder or manure from the States of California, Nevada and Oregon, is prohibited. This order shall not apply to shipments of cured meats, lard and tallow.

Canvasses for binders, complete with wooden slats and end fasteners consisting of buckles and straps attached thereto, declared dutiable under tariff item 445.

For future uniformity of treatment of doylies and tray cloths or runners, of cotton on linen, it is ruled that doylies of cotton or linen, embroidered, or of cotton or linen cloth and lace, cloth chief value, are dutiable under item 525. Doylies made wholly of cotton or linen lace, or of cotton or linen cloth and lace, lace chief value, are dutiable under item 575. The same rulings apply to tray cloths or runners of cotton or linen, under 45 inches in length.

Tray cloths or runners of cotton or linen, 45 inches or over in length, when embroidered, or when made of cloth and lace and cloth chief value, are rated under item 537. When such articles are made wholly of lace, or of cloth and lace and lace chief value, they are rated under item 575.

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MANY TOURISTS IN N. S.

HALIFAX.—During the year 1923, 3,380 tourist automobiles entered the province of Nova Scotia, according to the annual report of the Nova Scotia Tourists Commission. Altogether 63,000 tourists visited the province and distributed a sum estimated at $6,000,000. A comprehensive advertising campaign had been conducted by the government and this had brought gratifying results.

OPERATING THIS PUBLIC UTILITY TO SUIT PEOPLE

Public Interest Represented By the Board Members

From Our Own Correspondent.

ST. JOHN.—In accordance with the understanding under which the St. John members of the directorate of the New Brunswick Power Co. assumed office, a complete and frank public statement has been made showing that while American interests own about 90 per cent. of the capital invested in the company, they had no control of the management until April, 1923, when the Federal Light and Traction Co., of New York, purchased the control. The Federal Co. appointed the present directors, who have practically no financial interest in the Power Co., with the understanding that they would be free and independent to represent public welfare in the operation of the company, this being the practice of the Federal Co. in properties controlled in over 20 different localities and carrying out their policy of giving the community served a voice in the operation of its public utilities.

The statement of the Power Co. for 1923, shows losses in both gas and street railway branches. No reduction in gas rates will be made for the time being and the street railway will continue to give its patrons the lowest average rate of fare in Canada, recognizing that the whole transportation is a benefit to the merchants and city generally. However, the earnings of the electric energy branch on the other hand were such that the directors recommended a reduction in rates of 17 per cent. to 35 per cent., which was approved by the company. Concluding the report of the St. John directors says:

In comparing rates, it should be kept in mind that the New Brunswick Power Company pays the city 4½ per cent. of its gross revenue, that is, out of each dollar this comp ny receives from its gas, railway and electric departments, it turns into the city treasury four and one half cents.

A public utility of this kind, properly operated and with financial resources with which to make necessary improvements is one of the best assets a community can have and we would like to draw attention to the fact that during 1923 there has been an entire change in the control and directorate of the New Brunswick Power Company. The city has now directly interested in its welfare, the Federal Light & Traction Co., a group of men who have the financial resources, who are in a position and are willing to do much to benefit this community and all they expect is fair treatment and the right to earn a fair return on their investment. They are not responsible for what the N. B. Power Co. may or may not have done previous to 1923 and they purchased the controlling interest in this company because they had faith in the future of this city and the fairmindedness of the majority of its people.

Expanding Facilities

With the first of March the plant capacity of the New Brunswick Power Co. was increased by about 50 per cent. under the terms of a contract between the power company and the St. John Drydock and Shipbuilding Co., Ltd. By this contract the N. B. Power Co. has leased the power plant at the drydock site which is capable of generating about 3,000 h.p. for a term of three years. It will be connected up with the city plant of the company, which has a capacity of about 6,000 h.p. Under the terms of the new arrangement the power company is given the right to operate the plant either for the purpose of supplying current for the dock and its allied activities or ordinary purposes. The company will continue to supply the drydock with power and the plant at the dock will serve for auxiliary purposes in carrying peak loads. The power plant at the dock is oil burning and can therefore be called upon at short notice to meet unusual demands.

The company has placed orders for about $75,000 worth of new equipment for its gas department as part of a program for improvement and expansion which will involve a total investment of more than $700,000.

RADIO USED IN THE TAX CUT CAMPAIGN

Reduced Expenditures, a Balanced Budget and No New Tax Levies Urged

From Our Own Correspondent.

REGINA.—The gospel of lower taxation was preached over a large portion of Western Canada and the north-western states, by a radio address delivered by Frank Freeze of the Regina Lower Taxation Committee this week. The arguments advanced by Mr. Freeze followed very closely the arguments set forth in THE FINANCIAL POST.

"The war has been ended for over five years, yet in Canada very little effort has been made to reduce the tremendous expenditures and thus ease the burden of taxation," said Mr. Freeze, "taxation that in many cases means confiscation. Based on resources, our economic position is perhaps better than anywhere in the world with the exception of the United States. The position of Western Canada is sound and assured if we can free ourselves of the taxation millstone and help to get the purchasing power of the farmer on a par with other classes.

"Senator Brockart, of Iowa, says that 23 per cent. of the farmers in the 15 northwestern states are insolvent. In the state of North Dakota, Minnesota, Montana and South Dakota, 412 banks closed from August, 1920, to November, 1923. But there is a nation-wide demand for lower taxes over there and the cut in the United States administration is set at $500,000,000 this year."

The remedy proposed by Mr. Freeze for Canada was that the government eliminate all expenditures not absolutely necessary, balance the budget, that no new taxes be levied, but services and costs reduced.

LUMBER RESOURCES OF B. C.

VICTORIA.—Three and a half million dollars, or nearly 20 per cent. of the whole revenue of the province, is the estimated direct gain from the timber resources of British Columbia during the coming fiscal year. Timber licenses are expected to produce $1,250,000, timber royalties $1,600,000, timber scales $350,000, and timber leases $100,000.

DELAYED CHECK ON SALES TAX IS TROUBLE MAKER

Business Houses Have to Bill For Tax on Sales Two and Three Years Old

The slowness of Ottawa's check on sales tax charges and payments is causing many business houses no little trouble. Many are finding that mistakes they made or were made in their accounts back in 1921 and 1922 must now be rectified. Some houses are forced to send new tax bills to customers, while others are forced to pay these bills.

One of the biggest trouble makers in this regard has been the apparent lax method which some houses employed in checking jobbing and wholesalers' licenses when they first came out. The result is being found out that firms who were thought to have licenses and who were not asked to pay the tax, had no licenses at all. Keen competition in one line was responsible for bringing to light many cases of this nature. Complaints were made that one firm was letting its customers off. An investigation of both resulted. One firm found out that they had overlooked collecting taxes from people whom they thought had a license to the tune of $1,003. These were all small bills, the largest being $98, which was promptly paid by the Windsor merchant involved. The company collected over $800 of the omitted tax and paid the other $200 itself.

What seems to have caused trouble also is the fact that some firms delay for days after a tax change has been announced in making the change in their invoices. One firm has a concrete case of this kind, a bill for $19 additional sales tax. A car was purchased on May 14, 1921. On May 9, 1921, the sales tax on manufacturers was raised from 2 to 3%. The manufacturer of the car only charged 2%. When checked by the department, the new bill was sent out.

Can a manufacturer collect the tax after such a lapse of time? was the question asked at the Sales Tax Department of the Customs. The opinion voiced was that the sales tax was always extra over and above any price agreed upon. They were certain that the manufacturer would have to pay Ottawa whether he collected from the consumer or not.

EXPANSION PLANNED BY B. A. OIL CO.

Refineries and Distributing Branches to be Increased—Fuel Oil in Demand

British-American Oil will carry on a considerable program of expansion this year, including new refinery facilities and branches. It now has 41 branches and 240 storage distributing stations.

The increase in fuel oil sales for domestic heating purposes was the subject of special mention by the officers of the company at the annual meeting. It was indicated that the amount of business in this department has increased about 50 per cent during the past year. The installation of oil-burning equipment in residences has given refiners an opportunity to dispose of a greater proportion of their products direct to the consumer. The development of this part of the oil business has made it desirable to store very considerable quantities of fuel oil throughout the summer months to meet the needs of domestic users during the winter. This expansion in domestic consumption is opening up a wider market for fuel oil.

ALBERTA MINERS ACTUALLY WANT WAGE INCREASES

That Would be Effect of Demands to be Made

From Our Own Correspondent.

CALGARY.—While it is premature yet to actually forecast the result of negotiations between the coal operators and miners in Alberta in connection with their new wage agreement, the whole atmosphere is charged with the possibility of a big strike occurring.

During the week the miners have been in conference, and have formulated a policy based on the terms and conditions agreed upon in the mid-competitive fields of the United States. The chief features of these are a three years' contract on the same wage scale and conditions as the contract which expires on March 31.

But in addition to all this, the miners are stipulating for many other things which they term "inequalities," and which will add to their wages and in the final analysis increase the cost of coal to the consumer. The men's officials admit that there is a long list of these local demands. They include the payment for "bone" in the Drumheller field, better housing accommodation in many of the mining camps and other things, which it is admitted by the miners' officials would be equivalent to an average increase in wages of ten per cent. if the operators agree to them.

That they will agree, however, is extremely improbable. It is stated in a reliable quarter that the only reason for the adjustment of these many "inequalities" is to use them in a "trading" way with the operators when they meet them in joint session on March 4 in order to enforce the Jacksonville agreement of a three years' contract on the present scale of wages and conditions.

It is generally admitted that if a strike should ensue this year it would be the most bitterly contested in the annals of the coal mining industry of Alberta.

VETERANS FAVOR TAKING GERMANS

Yorkton Command Disagrees With the Resolution Passed at St. Catharines

From Our Own Correspondent.

YORKTON.—At a special meeting of the Yorkton Command of the Great War Veterans' Association a resolution expressing disapproval of the motion passed by the St. Catharines branch of the association with regard to German immigration was duly passed, and the secretary was instructed to forward a copy of the resolution to the premier and minister of immigration at Ottawa. The resolution read as follows:

"We regret the resolution passed by the St. Catharines's branch of the Great War Veterans' Association re the entry of three thousand Germans to Canada for the following reasons:

(1) We have in Canada a great country, the population of which is inadequate of its area.

(2) We need immigration of Europeans and other peoples who can assimilate with us, those who can share in our religious, social and moral ideals, preferably those from the British Isles and northern and western Europe.

(3) We need capital to promote our immense natural resources of coal, minerals and timber, and capital will follow labor.

(4) The Germans as we see them in this country are an industrious and economic people and are good citizens and farmers, comparing favorably with any other settlers we have in this country.

"Therefore this meeting of the Yorkton branch of the Great War Veterans' wish to go on record as supporting the federal government in its policy of encouraging European emigrants, especially of British, Scandinavians and Germans who can adapt themselves to our industry and agriculture."

TOURISTS PAY FOR ROADS

CALGARY.—The expenditure by the Dominion of $425,000 on the Banff-Windermere Highway brought in $240,000 of American tourists' money and $120,000 of Canadian tourists' money the first year the road was used through the mountains, according to the chief engineer of the Banff National Park.

Don't Want to Think—Want Some One to Tell Them What to Do

From Our Own Correspondent.

SASKATOON.—James R. Howard of Chicago, one of the trio of wheat marketing authorities or experimenters who addressed the Saskatchewan School Trustees' Association here last week, tells with much enjoyment of an incident which occurred while he was looking over the University of Saskatchewan live stock in the afternoon previous to addressing the convention. Two of the school trustees who were playing truant from the convention for the same purpose, began questioning him about the experience of United States wheat farmers with pools and Mr. Howard expressed his firm conviction that contract pools were impracticable and unprofitable and already a number had broken down after costing the farmers considerable money. He told them that he had no faith in a world pool, which was simply a fantastic dream and could not possibly succeed.

"What do you mean by coming up here and upsetting us again?" broke out one of his questioners. "Here we had made up our minds at home about this pool. Then we came to the convention and heard Dr. Magill who explained to us exactly how the Grain Exchange worked and the world wheat situation, and he sure unsettled us. Then Sapiro spoke and set us right. Now you come and set us all at sea again. What do you want us to do?"

"I want you to think," said Mr. Howard. "I am simply giving you the result of our experience. You know the situation here. Then you can decide for yourselves the best plan to follow."

"Hell, we don't want to think. We want some one who knows to tell us what to do. I guess we won't go to hear you at all. We'll go to the hockey match." And off they marched.

Meanwhile the wheat pool is trying to materialize, with Mr. Sapiro as the evangel of compulsory co-operation, with an iron-clad contract. A total of over six million acres must be signed up before the pool can function. The total up to date is about two and a half million acres, about two million acres less than were signed up when the contracts automatically lapsed September 12, 1923.

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SALIENT FEATURES

1923 REPORT

SINKING FUND TRUSTEES

City of Winnipeg

Total Assets		$14,268,726.86
Gross Earnings for the Year	$1,053,352.46	
Interest Requirements	512,229.88	
Excess Earnings over Requirements for the year		541,122.58
Surplus Account, January 1, 1923		79,698.68
		$ 620,821.26
Appropriated as follows:		
Total administration and general expenses	$ 17,740.95	
Writing off all premiums on investments acquired during the year	92,946.99	
Transferred to Investment Reserve, which now stands at $500,000	50,000.00	
Appropriation to Pension Fund to reduce City's liability	100,000.00	
To provide for the retirement before maturity of stock and debentures issued covering cost of general improvements	72,651.33	
Reserve set up to provide for uncollectable taxes	200,000.00	
		$ 533,339.27
Surplus Carried Forward		$ 87,481.99
Average Interest Rate		6.243 per cent.
Liquid Securities of the highest grade held by Trustees for every $1,000 of bonded indebtedness		$ 283.00
Par value of Securities greater than that taken in on Balance Sheet by		$ 1,100,000.00
Gross Debt of City at December 31, 1923		$50,408,503.62
Debentures matured and stock purchased and cancelled during the year		$ 2,074,790.60
Investments made during the year		$ 2,783,635.89
Cash in bank, Dec. 31		$ 91,535.45

Over 25 per cent. of the assets of the trustees is invested in Dominion, Provincial and Government Guaranteed Debentures.

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Principal and interest payable Canada and New York
PRICE: 89.35 and interest; yielding 5.35%

Province of Manitoba

Guaranteeing C.N.R. 4% Bonds, due 1930;
Principal and interest payable Canada and London, England
PRICE: 92.41 and interest; yielding 5.40%

We invite you to consult us.

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News and Views for Investors

PROVINCIAL PAPER

Howard Smith and Provincial Paper issues have been strong, the latter selling up to par, on reports of a merger. There have been official denials that any merger was contemplated and brokers close to the company are inclined to accept the statement as being correct.

WABASSO COTTON

There has been a steady market for Wabasso Cotton shares so far this year around $70 per share. The limited amount of trading appears to be due to the satisfaction of most holders with their investment and confidence in the management. Last year the shares sold as high as 81⅛ and as low as 65. The low level was recorded in 1920, when a low of 40 and a high of 52½ was recorded, this being during the period of deflation which proved so injurious to security values, says The Financial Service.

CARRIAGE FACTORIES, LTD.

Carriage Factories Ltd., Orillia, will turn out bodies for Yellow Taxicabs for Canadian and English markets. This should add materially to the turnover of the company. It is also understood that the Canadian Yellow Cab Co. will lease a part of the Carriage Factory plant for the assembling of their cabs for both the Canadian and English markets. Operations are expected to start shortly. Carriage Factories Ltd., has not enjoyed the greatest of prosperity owing to a lack of orders for automobile bodies. The Yellow Cab deal should speed up operations.

OUTLOOK IN MEXICO

With the Mexican government in the position of having crushed the recent rebellion, there is hope that the country will now face better conditions and soon establish stable government, according to R. C. Brown, president of Mexican Light and Power Co. Labor conditions, he also said, were improving, and it was hoped that they would continue to improve. There was ground for considerable gratification in the fact that no damage had been done to any of the company's properties during the recent rebellion. As the company is awaiting payment of large amounts due by the Mexican government, the improvement in political conditions in the country is worthy of special emphasis.

OTTAWA AND HULL POWER

Ottawa and Hull Power Company will be traded in on the unlisted department of the Montreal Stock Exchange. The outstanding capitalization of the company consists of 25,000 shares of no par value common stock, $1,500,000 cumulative 7 per cent. preferred stock, and $2,500,000 of 6 per cent. bonds due 1948. The bonds outstanding form part of an authorized issue of $5,000,000. The company was recently formed to acquire the Ottawa and Hull Power and Manufacturing, Limited. It owns two hydroelectric plants situated on the Ottawa River at Chaudiere Falls, which lie between the cities of Ottawa and Hull. The present installed capacity of the plants is 40,000 horsepower, with an ultimate capacity of over 100,000 horsepower.

MILLING CONDITIONS

The export demand for flour keeps up well and fair-sized lots are being worked to many foreign ports. It is significant that most of the freight space to the United Kingdom ports is fully booked up for the first half of March, and the steamship companies report a fair demand for the whole month. The continent has, perhaps, not been so insistent as has been the case during the past few weeks, but odd lots are being worked here and there at satisfactory prices. Millers regard the outlook with equanimity and look forward to a continuation of the present satisfactory business for some time to come. All the larger mills are still running to near capacity. Some of the smaller western mills are reporting a slackening in domestic demand.

Canadian millers are very much alive to the promised higher duty against Canadian wheat, as it will mean that if the wheat is not milled in bond at Buffalo and Minneapolis, that the American millers will have to raise the price of flour which will make it all the more difficult to compete with the Canadian output in some of the foreign markets.

AMES HOLDEN TIRE

The president of Ames Holden Tire, A. J. Nesbitt, forecasts good results from the fusion of interests with the Goodrich Tire organization. He tells the shareholders:

"The past year witnessed two important developments, completion of a new unit for the production of Goodrich tires in Canada, all introductory expenses being charged against current operations. The coming year this affiliation should almost double the company's volume of output. The second is the entire severance of relationships with Ames Holden McCready, Montreal. This involved the development of a new sales and credit organization dealing direct with the retail tire and footwear trade. Results have already justified this move. At the end of the year there were also terminated certain mutual agreements with the same company. This severance was effected amicably and without dislocation of business. In view of the above, and the unprecedented severity of competition during the year," he said, "the directors did not deem the earnings for the year unsatisfactory. Inventories are current, commitments favorable, merchandise turnover adequate and the company's working capital improved over the beginning of the year, while bank loans, which in June stood at $300,000, fell to $19,000 at the close of the year's operations."

STEEL INDUSTRY BUSY

Heavier purchases for current needs, indicative of growing orders books in general industry, featured the past week in the metal markets. Placings for second quarter requirements varied but little from last week's totals, but it is clear that much buying must soon be done for spring work, says Canadian Machinery. Additional railroad orders placed include a contract from the Canadian National Railways for the Kingston Locomotive Company for fifteen mountain-type passenger locomotives and five Sante Fe type freight engines. Further contracts for freight and passenger cars will be released any day by the railroads. Steel mills are very busy, with several rail orders on hand. Brisk operations are assured until well into the summer. The Sault Ste. Marie mills have approximately 100,000 tons of rails on order now.

Automobile plants are increasing their output in anticipation of the largest distribution of cars in their history. Structural steel business improved during the week. Fabrications have come into the market for substantial tonnages, and the construction industry as a whole is making ready for seasonal gains in activity.

Machine tool business has been making steady progress, and sales in the past week reached a larger volume than in the earlier weeks of the year. Inquiries for equipment are appearing more frequently, and dealers handling woodworking tools and machinery have received a large number of promising inquiries, with sales well up to expectations.

STEEL OF CANADA

Steel of Canada's report, due shortly, is expected to reveal a favorable situation. These expectations are based on the concern's demonstration of earning power in the two years, 1921 and 1922, which were, perhaps, the leanest in the history of the Canadian steel industry, and upon the showings for 1923 of other steel companies both in the United States and Canada which came out with net profits greatly in excess of those of 1922. One feature of the report of Steel of Canada will be the reduction in funded debt. The $500,000 6 per cent. bonds of the Montreal Rolling Mills were redeemed on May 1, 1923. The rapid reduction in funded debt means much to the shareholders. Total bonds outstanding as of December 31, 1922, amounted to $7,899,814. The redemption of the Montreal Rolling Mills issue would leave the amount at $7,399,814, while normal sinking fund yearly reduction is about $235,000, which will probably leave bonds outstanding at the end of last year at about $7,165,000. Of the first mortgage 6 per cent. bonds of the company, $500,000 had been held in escrow for the redemption of the Montreal Rolling Mills issue, but the company had placed itself in such strong liquid position that it was able, without appreciably impairing its working capital position, to redeem the underlyng issue through the sale of Victory bonds. The $450,000 issue of 5 per cent. bonds of the Western Coke Company were retired when due, on January 1st of this year, so the outstanding bonds of the company at present is less than 6¾ millions, interest on which will be only slightly in excess of $400,000. In 1922 income from interest and dividends on investments amounted to $333,028. Even allowing for reduction in such income owing to the utilization of investment securities for the redemption of underlying bonds, it would seem that the income from investments will fall not far short of paying the interest on funded debt, leaving nearly all of the company's earnings from operations for the shareholders. Both the Montreal Rolling Mills and the Western Coke issues were redeemed with 1923 Victory bonds and cash.

FIRMER PRICES AS RESULT OF RALLY ON THE EXCHANGES

Most Groups Made Better Showing During the Past Week

TIME FOR CAUTION

Leaders Divided as to Whether Market is at Peak or Already Going Back

There has been a rally in the stock market. As Bull moves on the market suffer reactions from time to time, and more so as they near the top, the same with Bear moves. When the market starts down, rallies make their appearance from time to time. Among market leaders there seems to be a difference of opinion as to whether the present rally is one of the final efforts of the Bull market or not. In other words, there is a division in opinion as to whether the recent reaction was just a halting of the bull drive or the first turn of the market from the peak.

This division of opinion emphasizes the need for caution on the part of those entering the market.

While business reports are becoming more optimistic, the fact should be remembered that the market is not concerned with immediate conditions, but is trying to figure out and discount conditions six months from now. Thus, the trend of the market may be taken as representing the concensus of opinion on the business outlook.

Trading for the week has been fairly active, with the rally spreading out fairly generously among the various groups. Annual reports continue to make their appearance, and are exerting more or less influence on individual issues. On the whole, the reports reveal fairly good profits.

CANADIAN SALT HAD GOOD YEAR

Increase in Earnings Shown—Extensive Improvements in Plant Effected

Operating profits of the Canadian Salt Co., for 1923, of $289,816, showed an increase of about $15,000. After meeting the bond interest and other charges and dividends and writing off $30,000 on account of new methods employed in bleaching, there was a substantial increase in the balance which now stands at $283,901. Following are comparative figures:

	1923	1922
Oper. profit..	$299,816	$284,916
Bal. forward	249,823	208,182
	$549,639	$493,098
Bond interest	$ 63,205	$ 55,928
Bond disc. written off	3,940	3,700
Bond issue exp.	....	535
Patent rights writt. off	2,585	2,570
Depreciation	44,947	40,406
Res. for sinking fund	10,000	10,000
Income tax	15,061	32,135
Res. for bad debts ..	....	2,000
Dividends	96,000	96,000
Writ. off bleach chamb.	30,000	....
Balance	283,901	249,823
	$549,639	$493,098

Owing to liquid chlorine superseding bleaching powder so largely for bleaching sulphite pulp and in the textile and metal refining industries, there are more bleaching chambers at Sandwich than are now or will hereafter be required, and, therefore, the company decided to write $30,000 off their cost. Additions to buildings, plant, etc., were made during the year at a cost of $209,271.

In the report of the directors it was stated that it was found necessary during the year to add very considerably to the number of electrolytic cells installed, and to make a further increase in the capacity of the liquid chlorine plant. To make room for the installation of the additional cells and provide for a necessary increase in the output of caustic soda a new caustic finishing building and plant had to be provided. Both building and plant are thoroughly up-to-date and the directors believe they are as efficient as any in existence. Other additions and improvements were made during the year which will increase the capacity and efficiency of the company's plant.

A further issue of $131,000 of general mortgage bonds was sold during the year, bringing the total now issued to $671,000. The proceeds were used partially to defray the cost of additions and improvements.

Intercolonial Coal Had A Much Better Year

MONTREAL.—The financial report of the Intercolonial Coal Mining Company, for the year ended December 31, 1923, shows results of operations to have been more satisfactory than for many years past. Operating profits, after allowing for depreciation and depletion, amounted to $183,364, as compared with $135,471 in 1922 before depreciation of $31,348 had been deducted. Net income on the $500,000 of common stock was equal to 28.27 per cent., as compared with 18.83 in 1922 and 17.58 in 1921. The balance sheet shows the company to be in its usually strong position, with net working capital up more than $40,000.

Charles Fergie, the president, in his remarks to the shareholders, reported a reasonably satisfactory and successful year's operations, earnings showing a considerable increase over those of the year previous. The total quantity of coal raised during the past year was 197,790 tons, as compared with 138,508 in the previous year. There is practically no demand for clay and clay products, and, as a consequence, the clay plant has not been in operation. The new bankhead referred to in the last annual report has been completed, and is now in operation, and has contributed greatly to the efficiency of the colliery equipment.

AT LAST, A SIMPLE ANNUAL STATEMENT

Jamaica Public Service Corporation Brings Out Report Child Could Understand

From Our Own Correspondent.

MONTREAL.—"A child could read it" might truly be said of the first annual financial statement of the Jamaica Public Service Company which was issued by the president, Russell D. Bell, this week. The statement is unique among Canadian company reports, for it not only gives a complete record of the operations of the company, of its present position and of its future, but it puts this record in readable form.

The balance sheet gives the essential, but dusty, figures that mean much to an accountant or banker, and it also explains each item fully. Similarly the profit and loss statement gives a detailed picture of operations. The following extract from the report, giving the earnings and expenses, indicates the readable method of treatment of the individual items:

Earnings

Tramway earnings $195,272.64
This represents the total amount of money received for carriage of passengers, mail, freight and express on all cars of the company, including $655.37 for rent of buildings and other property.

Light and power earnings .. $102,565.41
This represents the total amount received from, or billed to, customers using current for light and power purposes. About $3,400 of this represents the difference between selling price and cost of the electrical appliances sold in the company's shops.

Non-operating income .. ... $ 5,092.00
This represents the total amount of Miscellaneous revenues of which $2,605.60 was received as interest on British War Loan Bonds owned by the Company and $2,191.74 miscellaneous interest revenues.

Total gross earnings $302,930.05
This is the total amount received for the service rendered by all departments. Its distribution is given below.

Expenses

Operation... ... ... $152,641.66
This is the outgo for ordinary day to day expenses except the cost of repairs which appears in the next item. It includes nothing for taxes, interest charges, depreciation, dividends or reserves.

Maintenance ... ... $ 43,382.26
This is the amount expended day by day for ordinary repairs and upkeep of the property.

Total expenses $196,023.92

Balance $106,906.13
This is what is left to cover the cost of service other than the costs deducted above.

Taxes ... ... $ 14,623.45
This amount includes a franchise tax of 4 per cent. on car receipts, license fees, income tax, and stamp taxes. Approximately $7,780 applies to tax on car receipts, $5,353 to income tax, $902 to license fees and $590 to stamp taxes.

Net earnings ... ... $ 92,282.68
This is the amount from which must be paid interest charges and dividends and out of which allowances must be made for depreciation and necessary reserves.

The remainder of the statement indicates in similar fashion the distribution of net earnings.

In addition to the profit and loss statement and balance sheet there is an extensive review of the company's properties and much information as to plans and prospects.

MONTREAL EXCHANGE TO TIGHTEN CONTROL

Resolution Introduced to Demand Periodical Accountings of Securities

MONTREAL.—Between the Montreal Stock Exchange and the Quebec government there is much constructive work going on in the province to the end of protecting investors. The Quebec government is putting its "blue sky" bill through the house, and the stock exchange this week contributed a resolution, which seems likely to pass when the members vote on it later in the month, and which has as its aim the prevention of a repetition of losses that have been incurred by private investors in stock exchange brokerage failures.

The resolution, which was moved by Edgar M. Smith, the chairman, and seconded by Purvis McDougall, the vice-chairman, if adopted, will require every house with stock exchange membership to furnish a statement every six months certified by a chartered accountant, showing that all stocks, bonds, and other securities belonging to the clients of such houses, can be delivered on payment of balances due.

The need for some such control of the members of the stock exchange has been clearly demonstrated in the case of the failure of F. Nash and Company. In the case of this firm, about 60 or 70 investors will lose out heavily, and several will lose their life's savings. They had invested large sums in securities through the Nash firm and understood that the Nash held their stocks. As a matter of fact, total assets are not much larger than sufficient to meet loans against which securities had been pledged, so that the ordinary unsecured creditors stand, according to present reckonings, to get only about 26 cents on the dollar for their claims.

Quebec's blue-sky bill is a moderate enough proposition, and goes little beyond the present provisions of Ontario company law which are instrumental in providing much information for investors, but which have not proven particularly efficient in protecting uninformed investors. Nevertheless, the Quebec bill represents a big step forward in this province.

BETTER OUTLOOK IN WEST FOR FARM MACHINERY MAKERS

Cockshutt Plow General Manager Sees Better Conditions in 1924

Profits of Cockshutt Plow for 18 months ending Dec. 31, 1923, were $98,636, as compared with $5,656 for the previous 12 months. By transferring $500,000 from contingency reserve the preference dividend of 1 per cent. quarterly was maintained. F. Perry, the vice-president, states that the business in Western Canada continued to be poor during the period under review, both in respect of sales and in respect of collections. The low price of the most important farm products, which still remains much below the general price level of other commodities, diminishes the ability of the farming community of the West, either to make new purchases or to discharge existing liabilities. The falling-off in immigration has also been a serious factor in restricting Western trade. The tide appears now to have turned in this respect, and it is to be hoped that an improvement in the prices of agricultural products is also not far distant. The Eastern and Foreign business of the company during the period showed a substantial improvement as compared with the preceding year.

Dealing with the outlook for 1924, E. A. Mott, general manager, says:

"There is unquestionably a more hopeful outlook in the West for 1924 owing to the bountiful crop of 1923 in that portion of the western provinces not affected by rust. Diversified farming, increased dairying, and raising of cattle, hogs, and poultry, is strongly in evidence, and which will bring about much better economic conditions in the West in the very near future. There is also the prospect of a large immigration which is so greatly needed, and on which the future prosperity of our country so vitally depends. The burden of financing credits and the distribution of large stocks of implements and repairs throughout the country has been a very onerous one, and while the step recently taken to shorten terms may have a tendency to check sales somewhat, for a time, it will eventually be of great benefit to the industry in thus lessening the burden of long credits."

On the matter of taxation, he said:

"We are suffering from heavy taxation, which of course increases the cost of production and plays no small part in increasing the price of implements to the farmer, and unless our governments full realize the great necessity for economy, the burden of taxation will prove a serious handicap in the development of our industries and the country generally."

The profit and loss statement:

	18 mos. 1923	1922	1921
Profits	$ 98,636	$ 5,656	$ 624,292
From contg.	500,000	......	......
Prof. on bonds	......	4,375	......
Bal. forward	3,192	251,761	575,434
	$601,828	$261,792	$1,199,726
Written off	97,651	......	......
Dividends	387,900	258,600	258,600
Adjust. of investors	......	......	689,365
Balance	116,277	3,192	251,761
	$601,828	$261,792	$1,199,726

Public Utility Earnings

CALGARY POWER COMPANY

Earnings for November, 1923

Gross	$32,148.20
Operating	5,735.87
Net	$26,412.33

NORTHERN MEXICO POWER

Operating results for October, 1923, were as follows:—

Gross	$52,956	Increase	$5,964
Net	39,746	Increase	7,301

JAMAICA PUBLIC SERVICE CO.

The following is a comparative summary of earnings of the Jamaica Public Service Co., for the month of December:—

	1923	Increase
Gross earn.	$52,079	$3,289
Oper. exp. & taxes.	33,426	x4,280
Net Earnings	$18,652	$7,569

x—Decrease.

SOUTHERN CANADA POWER

	Jan. 1924	Jan. 1923	Inc.
Gross	$ 92,749	$ 82,023	$10,726
Expenses	38,121	36,013	2,108
Net..	$ 54,628	$ 46,010	$ 8,618
	4 mths. 1924	4 mths. 1923	Inc.
Gross	$350,082	$310,639	$39,443
Expenses	153,643	137,925	15,718
Net..	$196,439	$172,714	$23,725

CANADIAN WESTERN NATURAL GAS

Earnings of the Canadian Western Natural Gas Light, Heat and Power Co., for the month of December were approximately $105,110, as compared with $125,990 for the corresponding month of last year.

	Last Year	Pres. Year
October	$ 56,252	$ 59,028
November	99,096	96,570
December..	125,990	105,110
Agg. earn. Oct. 1 to Dec. 31 ..	$281,338	$260,708

Railway Earnings

Canadian Pacific Railway

January	1924	1923	Change
Gross	$13,392,432	$13,148,914+	$243,517
Wk. ex.	12,532,032	12,428,887+	103,144
Net pro.	$860,399	$720,026+	$140,373
Week end.	1924	1923	Change
Feb. 29	$3,502,000	$3,001,000+	$501,000

Canadian National Railways

Week end.	1924	1923	Change
Feb. 29	$4,876,639	$4,552,858+	$323,781

Current Events in investment circles

Our Monthly Investment Bulletin condenses the latest happenings in the investment world in a few pages. Analyzes conditions of leading companies, gives quotations of representative Canadian issues.

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In this period of high rentals delay costs more than it used to — and speed is correspondingly more valuable.

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The Montreal City and District Savings Bank

NOTICE IS HEREBY GIVEN that a Dividend of two dollars and fifty cents per share has been declared on the Capital Stock, called and paid up, of this Bank, and will be payable at its Head Office, in this City, on and after Tuesday, April 1st next, to shareholders of record Saturday, March 15th next, at twelve o'clock noon.
By Order of the Board.
A. P. LESPERANCE,
General Manager.
Montreal, February 25th, 1924.

6⅛% ATTRACTIVE INVESTMENT 6⅛%
Five-Year 6% Gold Bonds
Montreal Tramways & Power Company, Ltd.
Interest payable half-yearly.
DENOMINATIONS:
$100 $500 $1000
PRICE: 99.50 and Interest yielding 6⅛ per cent. payable at par in Canadian or United States Funds.
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MUCH INTEREST IN FIRST ANNUAL CANNERS' REPORTS

Operations of the Dominion and Canadian Companies

The somewhat complicated relations of Dominion Canners and Canadian Canners were dealt with in the reports of these companies presented to the shareholders at Hamilton this week. Since Dominion Canners is no longer an operating company, no direct comparison of earnings for the past two years is possible. Canadian Canners, Ltd., showed profits for 1923 amounting to $350,648 after providing for interest on bonds and long-term debt and income war tax. This compares with Dominion Canners profits of $267,039 for 1922. The additional 35 plants taken over by Canadian Canners, together with Dominion Canners' properties, creates a new organization in which the above group are represented to the extent of about 25 and 75 per cent., respectively.

In accordance with the agreement. Dominion Canners receives $6,750,349 in preferred shares of Canadian Canners at par value, and $1,687,587 in common shares at par issued by the new company. The amount of these shares is approximately three-quarters of the entire amount issued, and Dominion Canners, therefore, has a strong controlling interest in the new company. These shares are carried on the Dominion Canners' balance sheet at $4,365,398, representing book values of properties previous to the transfer.

A long-term loan has been made by Dominion Canners to Canadian Canners, Ltd., in consideration of the working capital supplied. In other words, Dominion Canners has provided all the supplies and other liquid assets for the new organization. The original amount of this loan was $2,636,990, which is to be repaid at the rate of not less than $12,500, and interest monthly. At this rate it will take approximately 17 years for repayment of this loan unless it is decided to make payment of larger amounts than the minimum set forth above. When the loan is finally paid, Dominion Canners will be liquidated. The amount of new preferred 7 per cent. cumulative participating stock issued to Dominion Canners, namely, $6,750,349, represents the appraisal value of fixed property. According to the statement for 1922 the real estate, buildings, plant, trade marks, patent rights, processes, etc., were valued at $6,548,987, less depreciation allowance, 1922, amounting to $278,854.

According to the Canadian Canners' statement the total amount of preferred shares to be issued was $8,836,659, and of common shares fully paid 2,216,758. It is apparent that preferred shares amounting to $2,207,672 par value have been or will be issued in addition to the stock issued to Dominion Canners. This represents the appraisal value of the thirty-five plants added with Dominion Canners to form the consolidated company.

The Canadian Canners' first annual report covers the period from the inception of the company in April last to the end of December, 1923. Bank loans amounting to $1,518,591 reported by Dominion Canners last year have been practically wiped out and the company shows a net liquid surplus of $1,700,000. Provision for depreciation on buildings and equipment was made to the extent of $436,620, which is based on the appraisal values. The subsidiary companies have all shown an improvement over the previous year, according to the directors' report. The savings effected by the new organization in insurance, commissions, freights, etc. are also of material assistance toward lowering costs. The company states that is has taken over a very valuable asset in some of its brands, without any monetary consideration. The new sales tax of 6 per cent. is declared to be a handicap to business, as it becomes practically impossible to have products reach the consumer at popular prices.

Dominion Canners' Report

The profit and loss account of Dominion Canners, Ltd., as at December 31, 1923, shows that a balance of $1,900,784 was brought forward from 1922. A profit for 1923 before deducting bond interest amounted to $74,966. Interest from the long-term loan made to Canadian Canners from April 7, 1923, amounted to $116,688 making a total of $2,092,438. This was distributed as follows: Interest on bonds from January 1 to April 7 1923, $21,471; dividends at the rate of 7 per cent. on the preferred shares $160,342; balance carried forward $1,910,625.

The Dominion Canners' balance sheet shows assets aggregating $7,085,609, made up as follows: Preferred and common shares, in Canadian Canners, Ltd., to be received, carried at $4,365,398; six per cent. long-term loan to Canadian Canners, Ltd., $2,536,990, and accrued interest thereon $10,008. The company's current assets consist of the amount due on long-term loan to Canadian Canners Ltd., amounting to $121,245.

The board of directors of Dominion Canners, consists of J. J. Nairn president; Sam Nesbitt, first vice-president; R. L. Innes, second vice-president, and general manager; W R. Drynan, secretary-treasurer, and F. R. Lalor. The board of directors of Canadian Canners, Ltd., includes the directors of Dominion Canners, and Arthur Allen, W. L. Innes, W. G Lumbers and E. A. Pearce.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING MARCH 4

	Div. Rate	Yield Mar. 3	High For week	Low For week	Close Mar. 4	Close Feb. 26	Sales For week	Range High	1924 Low
Banks—									
Commerce	12	5.51	184½	183½	184	184	189	188	182
Dominion	12+1	6.94	186½	186½	186½	186½	69	187	181
Hochelaga	10	6.71	149	159	149	150	73	150½	143½
Imperial	12	6.91	177	173	173	177	64	177	173
Montreal	12	5.00	240	240	240	241	58	248	239
Nova Scotia	16	6.26	255	255	255	252	20	255	248
Royal	12	5.61	214	213½	214	213½	112	217	211
Standard	12	7.22	166	165½	166	166	31	168	165
Toronto	12	6.78	177	176	176½	176½	50	179	175½
Union	8	7.45	107½	106	106½	106	14	109½	105
Paper—									
Abitibi, com. (no par value)	4	5.97	67	65	65½	66½	8133	69	60½
Brompton Pulp	....	....	43	40½	40½	41	2851	43	39
Laurentide	6	6.52	92	91	91½	91½	559	98½	89½
Price Bros.	2	4.44	45	44½	45	44	860	45	40½
Prov. Paper, com.	6	5.47	110	100	105	92	515	110	85
Do. pref.	7	7.17	97½	96	97½	96	62	97½	93
Smith, Howard, com.	6	8.57	73	67	67	65	751	75	63
Spanish River, com.	7	6.42	109½	106½	106½	109	7367	114	99½
Do. pref.	7	6.14	114	112½	111½	114½	1443	119½	105½
St. Maurice Paper	6	5.98	100½	100½	100½	100	85	113½	100
Wayagamack	....	....	41	41	41	42	25	46	41
Steel and Steel Industries—									
B.E. Steel, com.	....	....	5½	5½	5½	5½	132	6	3½
Do. 1st pref.	7	12.28	57½	56½	56½	57½	195	57½	53
Do. 2nd pref.	....	....	15	14½	14½	16	407	17	13
Can. Car & Foundry, com.	....	....	47	42	47	42	2281	47	36½
Do. pref.	7	7.52	96	90	96	90	1920	96	84½
Can. Locomotive, pref.	7	7.78	90	90	90	88½	5	90	85
Dominion Coal	7	8.91	78½	78½	78½	78	5	81	78
Dominion Bridge	4	5.12	79	76	77	75	661	80	55
Dom. Steel Corp., pref.	6	8.33	72	72	72	72½	1	73	71½
Steel of Canada, com.	7	9.09	77½	76	76½	77½	880	78½	74½
Do. pref.	7	6.74	103½	103	103½	103½	87	103½	100
Milling—									
Canada Bread, com.	....	....	73	72½	73	73½	140	74½	66
Do. pref.	7	7.17	97½	97½	97½	97½	165	97½	95
Lake of Woods, com.	12	6.85	177	174½	175	175	194	177	167
Do. pref.	7	5.88	119	119	119	119	5	120	117½
Maple Leaf, com.	....	....	63	61	61	65	20	69	60
Do. pref.	7	7.65	92	91½	92	91	17	95½	87
Ogilvie Flour, com.	12	3.80	315	315	315	320	10	320	310
Do. pref.	7	5.88	119	119	119	118½	20	120	116
St. Law. Flour, com.	6	8.45	71	69	71	69½	15	73	68½
Inter. Milling, pref.	7	7.44	94½	94	94½	94½	10	96	94
Utilities—									
Bell Telephone—Rights	....	....	5	4½	4½	4½	2167	5	3½
Bell Telephone	8	6.10	131	129	131	128½	831	131	125
Consumers Gas	10	6.09	166	164	165	165	59	166½	159½
Kaministiquia	8	7.33	109	109	109	110	50	113½	109
Mackay, com.	7	6.08	115	114	114	114½	231	120½	110½
Do. pref.	4	5.71	70	69	69½	69½	68	71½	66
Mexican Light, com.	....	....	19	18½	19	18	130	19	18
Montreal L. H. & Pr. Cons.	7	4.48	156½	155	155	156	1188	161½	140½
Ottawa L. H. & Pr.	6	7.05	85	84½	85	85	61	86	81
Quebec Power, com.	....	....	70	66	66	70	28	72½	65½
Shawinigan	7	5.51	127	126½	127	126	.301	135½	118½
Transportation—									
Canadian Pacific Rly.	10	6.67	152	148½	149½	152½	314	154	148½
Canada Steamships, com.	....	....	11	11	11	11	27	14½	11
Do. pref.	....	....	42½	42	42	42	335	46	42
Tractions—									
Barcelona	....	....	15	15	15	15½	50	16	14
Brazilian	4	7.61	52½	50½	51½	51½	10091	53½	41½
Detroit Un. Rly.	6	9.23	65	64	64	64	341	72½	61
Duluth-Superior	....	....	34	33½	34	33	55	35	30½
Montreal Trams.	10	6.49	155	153	153	150	137	159	150
Porto Rico Rlys. com.	....	....	18	18	18	18	80	25	18
Do. pref.	7	10.29	68	68	68	68	50	71	66
Toronto Railway	....	....	84	82	82	83½	1049	86½	80
Twin City, com.	6	9.23	65	64	64½	64	160	69	63½
Winnipeg Elec., com.	....	....	28	27½	28	28	85	30	27½
Do. pref.	7	8.75	80	80	80	81	35	85	80
Textiles—									
Can. Converters	7	8.66	80½	80½	80½	84	190	90	80½
Can. Cottons, com.	8	7.92	101	101	101	100½	5	111	100
Do. pref.	6	6.66	90	89	89½	90	25	91	89
Dom. Textile, com.	$4.00	6.40	63	62	63	62	224	66	62
Do. pref.	7	6.54	107	106½	107	107	35	109½	106½
Montreal Cotton, com.	6	6.00	100	100	100	100	22	100	100
Penmans, com.	8+2	6.25	160	160	160	160	50	165	150
Do. pref.	6	6.31	95	95	95	94½	10	96	94½
General Industrials—									
American Salesbook, com.	$4.00	8.88	45	44½	45	44½	90	47	44
Asbestos, com.	....	....	30½	30	30	30	70	33½	25½
Do. pref.	6	10.34	58	58	58	58	85	62	57
Atlantic Sugar, com.	....	....	18½	18	18½	19	80	21½	16
Bird & Son, pref.	7	7.96	87½	87½	87½	88	10	89	87½
B.C. Fishing	....	....	15½	15	15½	15½	70	15½	14½
Burt, F. N., com.	10	7.66	131	129½	129½	131½	65	137½	129½
Canada Cement, com.	6	6.89	88	86½	86½	88	475	88½	84½
Do. pref.	7	6.57	106½	105½	105½	106	286	106½	102½
Can. Gen. Elec., pref (New)	....	....	54	53	53½	54	1215	54	53
Canadian Salt	8	7.00	114½	113½	113½	114½	200	115	109
City Dairy, com.	10	5.52	181	180	180	181	74	184½	163
Do. pref.	7	6.66	105	104½	...	104½	80	105	104
Cuban Can. Sugar, pref.	....	....	47	47	47	48	15	54	33½
Dom. Canners, com.	....	....	34½	32	33	34½	818	35½	20½
Do. pref.	7	8.04	89	87	88	89	45	90	82
Dominion Glass, com.	7	6.51	108	107½	107½	107½	410	109	101½
Do. pref.	7	6.79	104	103	103	104½	25	107	103
Dominion Stores, com	$1.00	3.56	28	28	28	28	100	30	26½
Eastern Theatres, com.	....	....	14	14	14	14½	33	14½	12
Goodyear Tire, pref.	7	8.80	80	79½	80	79½	152	81½	79
Holt, Renfrew, pref.	....	....	55½	55½	55½	52	32	55½	52
Lyall Construction	....	....	16	12	16	15	7	16	12
Macdonald, A.	....	....	4½	4½	4½	4½	10	5	4½
National Breweries, com.	$4.00	7.61	53	52½	52½	52½	965	56½	51
Port Hope Sanitary, com.	....	....	50½	50½	50½	49	30	50½	49
Rogers, Wm. A., com.	....	....	64	59½	60	63	132	70	45
Do. pref.	7	7.21	97	97	97	97	30	97	86
Russell Motor, com.	....	....	17½	17½	17½	17½	2	18	17½
Do. pref.	7	12.50	56	55	55	55	13	56	48
Sterling Coal	4	9.75	43	41	41	42½	130	43	41
Sherwin-Williams, com.	6	5.63	106½	106½	106½	106½	40	110	106½
Tuckett Tobacco, com.	4	6.55	61	60½	60½	62	197	64½	57
Woods Manufacturing, com.	....	....	29	29	29	30	100	30	29
Trust and Loan—									
Canada Landed	10+1	6.54	84	83	84	83	15	86	82
Can. Permanent	12	6.44	186½	185	186½	185	53	186½	182
Toronto Gen. Trusts	12	5.82	206	206	206	206	2	206½	202

UNLISTED SECURITIES

	Bid	Asked
Alta. Pac. Grain, com.	97	101
Alta. Pac. Grain, pref.	87	90
Collingwood Ship., com.	50	60
Can. Machinery, pref.	21	25
Can. Mortgage & Inv.	66	..
Can. Oil, 8%, pref.	91	93
Can. Westinghouse	133½	..
Capital Life, 20%, pref.	24	28
Cockshutt Plow, 7%, pref.	..	39
Continental Life	25	30
Cosgraves Breweries	5½	6
Commercial Finance, pref.	63	70
Crown Life	98	..
Dom. Power, pref.	96½	98½
Dom. Power, com.	45	48
Dom. Sewer Pipe, com.	24	30
Dunlop Tire, 7%, pref.	80	84
Durant Motors (A)	7	8
English Elec., com.	11½	12½
English Elec., pref.	59	63
Excelsior Life, 26%, pref.	32	..
Famous Players, 50%, com.	..	70
Farmers Dairy	60	..
Great West Life	220	..
Gunns, Ltd., 7%, pref.	36½	38½
Hamilton Pantages, com.	3	4
Hamilton Pantages, pref.	44	49
Imperial Tobacco, com.	5	7
K. & S. Tire, pref.	20	23
K. & S. Tire, com.	70	90
Canada Starch, pref.	..	..
La Paz Oil	..	..
Lambton Golf Club	400	450
Loew's Buffalo, pref.	53	56
Loew's Buffalo, com.	1	1½
Loew's Hamilton, pref.	44	48
Loew's London, pref.	6	7
Loew's London, com.	3½	4
Loew's Ottawa, pref.	..	20
Loew's Toronto, pref.	70	72
Loew's Toronto, com.	39	43
Manitoba Power, com.	..	..
Marconi Wireless	70	1.00
Massey-Harris	34	36
Manufacturers Life	56	58
Mtge. Disc. & Fin.	7	9
Monarch Life, 10%, pref.	12½	..
Neilson, Wm., pref.	95	..
National Brick, pref.	53	56
National Brick, com.	12	15
North Mex. Power, com.	6	10
Ont. Equitable Life	18	22
Robt. Simpson 6%, pref.	89	91
Robertson, P.L.	15	25
Sterling Bank	88½	91
Sun Life, 50%, pref.	177	..
Sun Life, 35%, pref.	135	..
Toronto Brick, com.	28	..
Toronto Brick, pref.	73	..
Toronto Carpet, com.	99	..
Trusts and Guarantee	69	72
Western Assurance	7	7½
Western Groceries, pref.	34½	36½
Willard's Chocolates, pref.	..	80
Brit. Mortgage Loan	200	..

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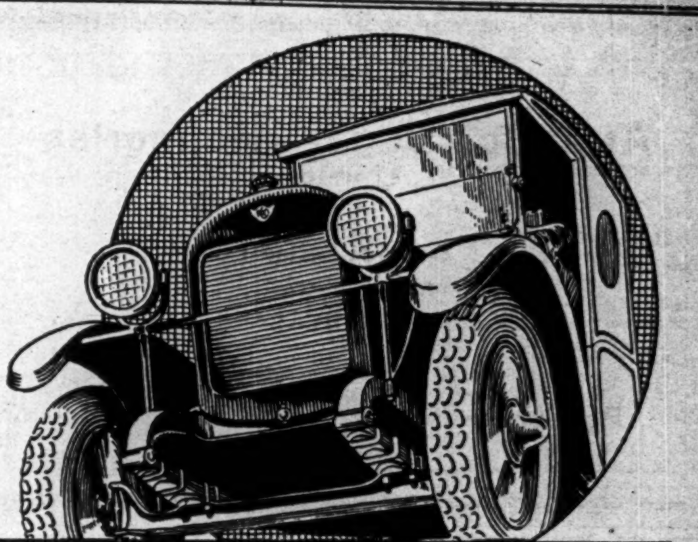

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SPEED WAGON
REO

HEAVY LOSS ON MANITOBA RURAL CREDITS SCHEME

(Continued from page 1)

adian National Railways, in London. J. R. Murray, assistant general manager of the United Grain Growers Limited, a member of the board, has also resigned. These two resignations are said to have been in part due to friction which arose with the lieutenant governor, Sir John Aikins. The custom of the board had apparently been to make purchases of available securities, and to secure ratification subsequently. The law provides that the consent and approval of the government must be obtained prior to the purchase. It was found to be difficult to operate with the greatest success if in all cases the approval of the government was to be secured prior to the purchase, but Sir James was adamant on this point. The friction increased rather than diminished, and these resignations were the result. Mr. Weir was also no doubt opposed to some of the government plans for an amalgamation.

E. J. Jewers is now the active manager of the deposit office. He received his banking training in the old London Provincial Bank in London. and before the war was with the Home Bank in Canada. Later he was with Imperial Oil company, and subsequently entered the service of the savings office here. R. S. Ward is now the chairman of the board of the deposit office. Mr. Ward was on the board as a representative of labor. John MacGregor, a bond dealer of the city, has been named as a member of the board, the other member being F. J. Collyer, a Manitoba farmer.

Losses on Rural Credits

The admitted losses under the rural credits scheme, short term money, are admitted to be $250,000. It is said that the losses may run to $750,000, and it is claimed by Conservative members of the House that the losses may run as high as $1,000,000. The system takes its money from the government at 6 per cent. and makes loans at 7 per cent., so that there is no great margin to provide for bad loans.

L. McNeill, whom the Hon. Edward Brown, provincial treasurer of the time, took from Sir Augustus Nanton seven years ago, has, as head of the Manitoba farm loan association, built up a reserve of about $150,000 against possible losses, but it has not admitted a loss to date. It has taken over a few pieces of land in the present depression, but the properties have been worth the claims against them, and if prices come back a little, as they probably will, the association hopes to make some small profit on these transactions. Deposit money has been to some extent transferred to the farm loans association by the government, but in the future it is probable that increases in the amount at loan will be made slowly, and the money will be obtained in the United States, or later in Britain, or some foreign country, where funds may be available at a low rate.

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Price, 99½ and Interest.
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The Wabasso Cotton
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WINNIPEG, WELLAND

HEAD OFFICE
MONTREAL

P. Lyall & Sons Construction Company, Limited
Toronto - Montreal - Ottawa

Saskatchewan Trust Strengthens Reserves

Profits of the Saskatchewan General Trusts Corporation for 1923 amounted to $12,735 compared with $10,786 in the previous year. Following are comparative figures of the profit and loss account:

	1923	1922
Net profits	$ 12,735	$ 10,786
Prem. on shares	1,054	18,592
	$ 13,789	$ 29,378
Taxes	1,076	753
	$ 12,713	$ 28,625
Bal. forward	7,079	7,570
	$ 19,792	$ 36,195
Dividends	10,281	9,116
Reserve	5,000	20,000
Balance	4,511	7,079
	$ 19,792	$ 36,195

The balance sheet shows assets of $3,532,736. The estates and agencies under administration increased approximately $600,000 to $3,224,477. The reserve has now been increased to $70,000, to which can be added the amount of the profit and loss, $4,511, and also profits pending realizing $25,089.

Western Trust Changes Ending of Its Year

Profits of the Western Trust Company for eleven months ending December 31, 1923, amounted to $69,358 compared with $77,314 for the whole of 1922. There is thus little change in the rate of profits for the year. Following are comparative figures of the profit and loss account:

	1923	1922	1921
Profits	x$ 69,358	$ 77,314	$ 86,125
Prov. for income tax	7,000	7,500	8,000
	$ 62,358	$ 69,814	$ 78,125
Bal. forward	65,345	55,831	38,006
	$127,703	$125,645	$116,131
Dividends ...	30,150	60,300	60,300
Balance	97,553	65,345	55,831
	$127,703	$125,645	$116,131

x For eleven months.

The balance sheet shows assets of $2,616,479.

Montreal Tramways Debentures and Stocks are Sound Securities

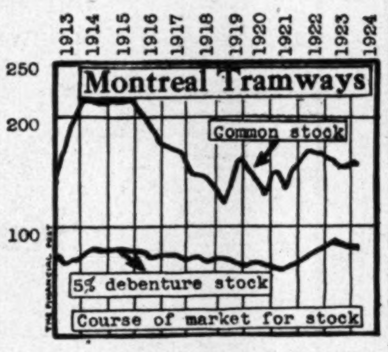
Unique "Service-at-Cost" Contract of Company Insures Fair Return to Investors in Company's Debentures and Common Stock

From Our Own Correspondent.

MONTREAL.—Montreal Tramways is interesting to investors because it offers two different securities that provide a fair interest yield combined with the degree of safety and salability that most careful investors demand in their purchases.

Montreal Tramways debentures, which bear 5 per cent. interest, and have no maturity date, combine the safety of a first mortgage on valuable, revenue-producing properties with the permanent advantages of an investment having no fixed maturity date.

Montreal Tramways common stock has for all intents and purposes been put amongst the highest types of corporation investments by the nature of the contract between the city of Montreal and the Montreal Tramways Company. This contract is so worked out as to practically assure the continuous payment of 10 per cent. dividends on Montreal Tramways common stock. The dividend rate is not guaranteed, nor is it mentioned in the contract. But the effect of the contract is to insure that the return to the invetsor shall not be less than $10 per share annually. As a matter of fact, it may be more. At the present time, earnings available for dividends are in excess of the amount required to pay 10 per cent. dividends. Dividends are not likely to be increased above the 10 per cent. rate,



but there is a fair possibility that holders of Montreal Tramways stock may from time to time be offered the privilege of subscription for new shares at par, or, at least, at some price well below the prevailing market, and this would be the equivalent of a bonus of the amount for which the "rights" would sell in the open market.

A Very Ingenious Contract

The contract between the city of Montreal and the company has been ratified by the Quebec provincial legislature, and is a marvel of ingenuity. It provides for a fair return to the company on its invested capital, including capital that may in the future be invested in extensions, and it provides for the automatic increase of fares charged the public when the return falls below the amount required. On the other hand, a toll reduction fund, into which a proportion of surplus earnings is put, insures that car fares will come down if the prevailing rates are higher than are required to give the company a fair return on its investment. The city of Montreal gets substantial revenues under the contract. All the benefits of public ownership, and all the benefits of private ownership are combined in a "service-at-cost" plan of operation.

The Terms of the Contract

Some explanation of the terms of the contract might be in order.

On January 28, 1918, the company entered into a contract with the city of Montreal, which was ratified by legislative act of the province of Quebec on February 9, 1918, under the terms of which the company is granted the right to conduct its business in Montreal until March 24, 1953.

The contract creates a commission appointed by the lieutenant governor-in-council of the province of Quebec. The duties of the commission are to administer the terms of the contract which grants authority to, and imposes the obligation upon the commission to always maintain fares which shall provide revenues sufficient to meet the following requirements in the following order of priority:

1. All operating expenses and taxes.
2. Ample funds for maintenance and renewals, and in connection therewith to create a maintenance and renewal fund of at least $500,000.
3. An annual return to the company of 6 per cent. on the stipulated value ($36,286,295 plus capital expenditures made subsequent to December 31, 1917), as well as 6 per cent. on all working capital required for the operation of the company; also $181,431.47 per annum during the life of the contract to cover expenses of financing.
4. A rental of $500,000 per annum to the city of Montreal.
5. The obligation to create a contingent reserve fund of $500,000.
6. Any surplus after providing for the above to be divided as follows: 20 per cent. to the company; 30 per cent. to the city; 50 per cent. to be used to create a tolls reduction fund of $2,500,000 to be used by the commission for reduction of fares as provided in the contract.

The contingent reserve fund and the tolls reduction fund can be drawn upon in turn to make up any deficiency in the payments to be made to the company by way of return upon the capital value.

It is also provided by the contract that in the event of any shortage of revenue arising in any one year to cover the obligations mentioned above, the commission is authorized and obliged to add such shortage to the requirements of the next year, and to make a rate of fare to cover the total.

This contract is inspired by far-sighted recognition of two fundamentals:

MONTREAL CONTRACT PROMOTES EFFICIENCY

In his new work on the "Regulation and Management of Public Utilities," Charles S. Morgan of Washington, D.C., lists sixteen "service-at-cost" franchises held by public utility corporations in the United States and Canada. It is significant that his conclusions tend towards the feeling that Montreal has the one system of street railway management that works for efficiency of operations.

1. That Montreal's continued growth is largely dependent on adequate expansion of its traction system.

2. That the investors who supply the capital for this expansion are entitled to every protection that the law can devise.

How does this arrangement work out in actual practice? Reference to the annual report for the year ended June 30 will answer this question. In the annual report are two different revenue statements, and the essential difference between the two should be explained. First there is a statement showing gross earnings of $12,056,355, and net earnings after operating and maintenance of $3,415,265. But this amount does not go into the profit and loss account of the company. Only such proportion of the amount as the company is entitled to under the contract—in other words, only a definite return on invested capital—goes to the shareholders. The remainder is administered by the Montreal Tramways Commission for the joint benefit of the company, the city and the tram-riding population. In all, since the company started to operate under the contract net earnings have totalled $1,760,361 more than the $13,322.373 that the company has been entitled to under the contract. Of the excess earnings the city of Montreal has been entitled to $2,692,694 as the amount due under the $500,000 a year rental payable by the company, and $500,000 has been payable to set up a contingent reserve. These two items require $3,192,694, so that there is a deficit of $1,432,333 in the statement of operations under the contract. This sum will eventually be made good out of future earnings.

Distributing the Surplus

After all such obligations have been met, if there is still a further surplus, 20 per cent. will go to the company; 30 per cent. to the city and 50 per cent. to the tolls reduction fund. But, as will be observed from studying the order in which the earnings are paid out, the company gets its return before the city or the shareholders, and the deficit in the account to the city does not affect the amounts available to pay interest on the 5 per cent. debentures, and the 10 per cent. common stock. So the deficit of $1,430,000 must not be viewed as a deficit in the shareholders' account.

The second revenue statement in the report indicates the manner of disbursement of the amounts received by the company under its contract. These annual company earnings have always been sufficient to pay interest and dividends, and to leave a small yearly balance. The fact that there is this annual surplus indicates that the issuance of new stock at under market price would be justified. If in the future the company can borrow at low rates of interest, the shareholders' prospects will be accordingly improved, for besides enabling extensions to be financed cheaply the stock itself would have a tendency to line up with prevailing yields.

History of the Company

The street railway system of Montreal has been in successful operation since 1861, and the Montreal Street Railway Company, the principal predecessor of the Montreal Tramways Company, paid consecutive annual dividends on its capital stock for more than 30 years. The company is now paying dividends at the rate of 10 per cent. on its common stock.

All things considered, Montreal Tramways debentures, selling around 80 at the present time to give a return of 6.25 per cent., and Montreal Tramways stock, selling about 155 to yield 6.50 per cent., are very sound and interesting investments for almost any type of investor. The fact that both are actively traded in on the Montreal Stock Exchange gives them the essential characteristic of ready marketability.

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The Tobacco of Quality

Sealed Package 15¢
(which keeps the tobacco in its original condition)
also in ½ lb. tins

Northwestern Mutual Fire Association

TWENTY-THIRD ANNUAL STATEMENT

As of December 31, 1923

ASSETS

Cash in Office and Banks	$ 326,449.88
Securities	$1,689,860.68
These securities consist of U. S. Government, state and municipal bonds and other securities of the highest grade, including Dominion of Canada and Provincial Issues.	
Premiums in Course of Collection	$ 437,247.48
All accounts over 90 days old are excluded. This represents a normal amount of live current accounts equalling only about 35 days' gross premiums.	
Miscellaneous Assets	$ 38,284.77
Consisting of interest accrued on bonds; amounts due from other insurance companies, etc.	
Total Admitted Assets Belonging to Policyholders	$2,491,842.81
From these assets we have excluded all furniture and fixtures, automobiles, printing plant, supplies, premium accounts over 90 days old, and all other assets not quickly convertible into cash.	

LIABILITIES

Reserve for Losses in Process of Adjustment........	$ 119,007.94
Reserve for unearned Premiums (1923 increase, $216,384.45)	$1,759,692.12
While the reserve is set up on a Stock Company basis, in a Mutual Company loss claims are a first claim thereon. This sum is more than three times the amount that will be needed if losses ase no more than our average experience.	
Reserve for Funds held under Re-insurance Agreements	$ 44,887.50
Reserve to Cover All Other Liabilities	$ 119,853.57
This is a reserve to cover taxes accrued, dividends accrued on expired policies, and all other current liabilities, other than losses.	
Net Cash Surplus (1923 increase, $110,932.55)	$ 448,401.68
This being the net amount left after providing for all reserves as above.	
Total	$2,491,842.81

1923

Net Losses Paid to Policyholders	$1,286,247.48
Dividends and Savings to Policyholders	$1,009,290.61

SINCE ORGANIZATION

Losses Paid to Policyholders, United States and Canada	$8,356,487.57
Dividends and Savings to Policyholders, United States and Canada	$7,138,410.32

CANADIAN BUSINESS, 1923

Net Premium Income	$704,914.02
Loss Ratio, re-insurance recovered deducted	38%
Expense Ratio	26.8%
Dividends Paid on 1922 Business	$164,525.76

Canadian Head Office—Hamilton, Ontario

F. J. MARTIN, President — **NORMAN S. JONES,** Manager for Canada — **R. J. MAHONY,** Associate Manager

IMPERIAL OIL HAS ALREADY MADE UP LOSSES OF 1923

Rise in Prices this Year Has Resulted in Good Profits For Company

Imperial Oil suffered quite heavy losses in inventory in 1923, due to the severe break in oil prices while the company had heavy stocks on hand. Rising prices, which started at the first of the year, have allowed for the recovery of these losses. In the matter of volume of production, the company in 1923 established a new record.

Contrary to reports, the company has not abandoned drilling in Alberta. G. Harrison Smith, vice-president, in addressing the annual meeting, said, however, that the scope of these operations had been reduced. It was noted that the new 4,500 barrel refinery at Calgary had justified expectations.

Failing to develop the domestic source of supply, the company through its subsidiary, International Petroleum, made considerable progress in developing crude oil production in Peru and Colombia. In view of recent discussions in the United States as to the advisability of an embargo upon crude petroleum and petroleum products, the development of an independent source of supply on both sides of South America by Imperial Oil must be regarded as an important national safeguard.

When prices sagged in 1923 the high grade Peruvian production was cut 5,000 barrels daily to 10,000, and when prices advanced this year production moved up to 18,000 barrels. Several new wells have been brought in at Peru, and the known oil-bearing zone extended. The preliminary 1923 production figures from Peru were 4,637,122 barrels, compared with 4,386,943 in 1922. Had it not been that production was curtailed, the figures would have reached 5,600,000 barrels.

Imperial Oil has 15 drilling outfits operating in Colombia. It is pointed out that in every instance where a well has been drilled on a mapped-out producing horizon we have struck oil, strengthening the opinion that this field eventually will prove exceptionally good. The transportation problem is being solved by the construction of a railway from Barranca to Infantas, some 40 miles. There are 13 wells drilling on the Infantas anticline, one on the Cororado and one on the San Luis anticline. Potential production of the field, January 1, 4,100 barrels settled production, or 2,600 barrels in excess of actual local requirements. Production in 1923 was 424,876 barrels.

JAMAICA P. S. CO. HAD INCREASED PROFITS

First Report of Company Under New Regime Indicates Improvement

From Our Own Correspondent.

MONTREAL. — Already a broad and comprehensive schedule of rehabilitation for the properties of the Jamaica Public Service Company is being followed out, it is shown by the annual statement of the company. In addition to changes in the form of management, in accounting systems, in public relations and other departments there have been extensive improvements and additions to the properties and in all $234,777 has been spent in this way in the seven month period covered by the report.

The new methods applied and economies effected did not acquire full momentum during the period covered by this report, but it is indicated that they have brought about a gratifyng improvement in the company's earnings. Messrs. Stone and Webster, the public utility engineers who are managing the properties, state: "As the full force of these is felt and business is stimulated by an effort to popularize the use of electricity in the Kingston area, a steady improvement of the financial condition of your company should follow."

The report states that during the six months and twenty days ending Dec. 31, 1923, the gross earnings amounted to $302,930.05, representing an increase of $8,475.04, or 2.9 per cent. when compared with similar figures of the predecessor company for the same period in 1922. This improvement was in the earnings of both tramway and light and power departments, and in the main was due to improved service. The tramway operating revenues during December, 1923, were the largest on record. The light and power operating revenues were increased due to better service and the normal growth of the business.

Operating expenses and taxes for the same period amounted to $210,647.37, which is a decrease of $7,755.81, or 3.5 per cent. under those of the previous year. This reduction is practically all due to savings in operating expenses and has been brought about by effecting many operating economies in both departments. The per cent. of operating expenses to gross earnings has been reduced from 69.9 per cent. to 65.7 per cent. As a result of the moderate increase in gross earnings and the decrease in operating expenses and taxes, the net earnings show an increase of $16,230.85, or 21.4 per cent.

This indicated that bond interest was earned about twice and preferred dividends about three times.

ROSS CAN CO.

Tenders are being called under the Bankruptcy Act, for the entire plant, equipment, fixtures and stock-in-trade of the Ross Can Co., of Bowmanville, Ont. The company manufactures paper and tin cans and has been in operation for the past four years. The value of the machinery, equipment and plant is placed at $128,244 and of the stock-in-trade, $26,936. An issue of $50,000 preferred stocks was sold two years ago by a Toronto house.

Would Control Shares of Dominion Companies

From Our Own Correspondent.

ST. JOHN.—A movement is under way among those who sponsored the blue sky law in New Brunswick, to include federal charters within the scope of the law and the administrators of the law, the New Brunswick Board of Public Utilities. The decision of the appeals court of the province that the law was ultra vires and not applicable to companies holding federal charters, has created a demand for this action.

J. M. Queen, whose conviction on the charge of violating the act and subsequent conviction in a magistrate's court, was responsible for the appeal that resulted in the ultra vires verdict, secured his charter from the federal government. He sought to sell stock in an oil company in the Maritime Provinces.

Now that the law has been declared ultra vires, it is felt by the sponsors that the Sale of Securities Act, as it is legally styled, has lost much of its effectiveness, and this will not be regained until federal chartered companies are included within the jurisdiction of the board and the law. Indications are that at the forthcoming session of the New Brunswick House of Assembly, this subject will be thoroughly discussed and a recommendation sent to the federal government. In the meantime Mr. Queen is understood to be preparing a sales campaign for his stock in the Maritime provinces. The litigation consuming several months somewhat interfered with his sales plans. Further developments are being awaited with interest, there being anticipated in some quarters a deluge of stock selling companies holding Dominion charters.

Pulp and Paper Securities

SAGUENAY MUST RE-ORGANIZE, SAYS PRES. F. L. BEIQUE

Creditors of Chicoutimi Pulp Company Are Pressing For Payment

From Our Own Correspondent.

MONTREAL.—Reorganization for Saguenay Pulp and Power Company and its principal subsidiary, the Chicoutimi Pulp Company, seems inevitable, to judge from the remarks of the president, Senator F. L. Beique, at the annual meeting this week. Senator Beique brought forward a financial statement for 1923 that indicated higher gross earnings but a deficit of $183,826 for the year. Working capital also shows a seriously impaired position with a deficit between current assets and current liabilities.

Earnings for the past three years may be compared as follows:

	1923	1922	1921
Earnings	$1,502,522	$1,477,390	$2,433,073
Bond int.	740,554	809,113	773,734
Balance	$ 761,968	$ 668,277	$1,659,339
Other int.	175,917	371,973	441,625
Balance	$ 586,051	$ 296,304	$1,217,714
Bad debts res.	200,000	......	......
Balance	$ 386,051	$ 296,304	$1,217,714
Bad debts	......	3,265	......
Balance	$ 386,051	$ 293,039	$1,217,714
Deprec. res.	215,291	344,577	325,386
Balance	$ 170,760	x$ 51,538	$ 892,328
Dep. res.	184,407	163,340	298,194
Balance	x$13,647	x$214,878	$ 594,134
Fire res.	......	48,000	......
Balance	x$ 13,647	x$ 262,787	$ 594,134
Invent. deprec.	137,303	138,098	528,652
Balance	x$150,950	x$ 400,971	$ 65,482
Bonds disc.	32,876	15,780	......
Balance	x$183,826	x$ 416,751	$ 65,482
Inc. tax	......	2,828	......
Surplus	x$183,826	x$ 419,579	$ 65,482

x Deficit.

Working capital compares as follows:

	1923	1922
Current assets ...	$1,415,969	$2,885,686
Current liabs.	1,748,297	22,507,386
Working cap.	x$ 332,328	$ 378,300

x Deficit.

According to the president there is no question of liquidation, and in regard to an offer from Price Bros. interests, he made it clear that there has, as yet, been no offer direct from such interests, and until such time he felt such offers could hardly be considered. C. G. Heward, K.C., was elected to the board of directors, taking the place of Hall Caine, who had been the nominee of Sir Frederick Becker on the board.

The president stated that some of the creditors of the company are pressing the Chicoutimi Pulp Company to the extent of taking action and judgments for the amount of their claims, which necessarily embarrasses the company. Its liquid assets are, he said, fully sufficient to meet its floating liabilities, but cannot be collected in time to answer such demands, and the question arises as to whether the board will not consider it in the best interests of all parties concerned to facilitate the trustees for the Chicoutimi bond to take possession, which will stop all suits.

As far as the Saguenay Pulp and Power Company is concerned, it has no debts to the public and is quite free from trouble.

The president further stated that there were three classes of security:

1. The Chicoutimi Pulp Company bonds, $4,200,000, of which there are $2,400,000 in the treasury of the Saguenay Pulp and Power Company.

2. Saguenay Pulp and Power Co. bonds, about $5,000,000, which can be reduced by sinking fund in the hands of the trustees by some $500,000.

3. Collateral trust bonds—$2,800,000—of which about half are held by the Union and Provincial Bank of England as trustees.

The board considers, he said, that it controls the majority of Chicoutimi bonds and majority of collateral trust bonds, and that it should be easy to get within a very few days a majority of the Saguenay bonds to work in harmony with the board, when it will be easy to reorganize the Chicoutimi Pulp Company in the way to protect all interests.

BACKUS-BROOKS

It is expected that the new newsprint mill being constructed by the Backus-Brooks Co. at Kenora, Ont., will be completed and running during the month of March next. Good progress has been made on construction and installation of equipment and the pulp mill is now being operated to capacity.

FRASER COMPANY PROFITS 70% UP FROM 1922 TOTAL

Nearly Half a Million Added to the Surplus Account

From Our Own Correspondent.

MONTREAL.—The excellent lumber marketing conditions of 1923—which, by the way, are continuing into the present year—brought about a fine showing of profits for Fraser companies, of Edmundston, N. B. The company had net profits of $1,364,000, an increase of $560,000 over the previous year's total, and it was able to add $478,000 to its profit and loss surplus after meeting depreciation, bond interest and all charges except dividends, of which none were paid. This compared with a net reduction in profit and loss surplus of $560,000 in the previous year or a distinct difference in the results of the two years of more than a million dollars.

Profit and loss statements for 1922 and 1923 compare as follows:

	1923	1922
Profits	x$1,364,467	$ 804,614
Bond int.	249,350	268,750
Other int.	201,397	221,247
Deprec.	220,495	209,455
Depletion	183,831	57,840
Discount	31,500	31,500
Taxes	......	5,205
Deprec. of inv. ..	......	270,000
Year's surplus ...	$ 477,894	†$ 259,388
Prev. surpuls	523,759	783,142
P. & L. balance ..	$1,001,653	$ 523,759

x After taxes.
† Deficit.

The working capital position remains strong and showed some slight improvement during the year, as is indicated by the comparisnns below:

	1923	1922
Current assets ..	$4,966,230	$4,840,847
Current liab.	2,780,097	2,790,923
Net working cap.	$2,186,133	$2,049,924

The president, Archibald Fraser, says in part in his report:

"A fairly satisfactory profit was also realized from the manufacture of sulphite pulp, despite the continued unsettlement of the market for that commodity and the rather lower prices which were realized on tonnage sold during the latter portion of the year.

"During the operating period under review, your company redeemed and cancelled an additional $250,000 par value of its first mortgage 6 per cent. bonds, of which there are now outstanding $1,940,000 par value of bonds addition, $60,000 par value of its general mortgage 8 per cent. bonds were redeemed and cancelled, leaving outstanding $1,900,000 par value of bonds of that issue.

"Present indications lead to the anticipation that lumber business for the current year will continue to be good. With regard to sulphite pulp, the immediate future is rather more obscure —the market situation on this continent being governed to a very considerable extent by the trend of political and economic conditions abroad."

ST. REGIS PULP AND PAPER

If plans are carried out as now arranged, the St. Regis Pulp and Paper Co. will erect a $5,000,000 mill at Cap Rouge, work on which will start early in spring. The company has taken options on a large number of lands located east of the Canadian Northern Railway station in close proximity to the Cap Rouge Experimental Farm.

It is stated that the Cap Rouge mills will be the most important ones operated by the company, and though at first the expenditure will be under $5,000,000, the total cost on completion will reach $5,000,000.

The St. Regis Pulp and Paper possesses 37,000 acres of freehold land, west of Godbout River, on the north shore, and 14,000 acres on the Transcontinental near Escolena, Abitibi.

LINCOLN MILLS

Announcement was made in Toronto last week that Lincoln Mills, Limited, with mills at Merritton, Ont., had gone into the hands of a receiver. It is satisfactory to note that the operations of the company will in no way be interfered with, the move having been occasioned by a desire to reorganize the securities of the concern. The company manufactures writing, book, wrapping and rope papers and paper flour sacks. They have a production of fifty tons of sulphite pulp. The authorized capital is $1,500,000, the president of the company being J. J. Warren, with K. S. Maclachlan as mills manager.

PULPWOOD ON PRAIRIES

PRINCE ALBERT.—That Saskatchewan was on the eve of a big development in the pulp industry, the royal commission on pulp wood was told, at a session here, when James H. Anderson, veteran lumberman, gave evidence. Charles MacFadyen, forestry inspector for the province, furnished the commission with particulars of timber in Saskatchewan. He said 113,000 square miles, out of a total of 256,000, were timber. He estimated that there are 25,000 square files of merchantable timber.

Bell Telephone Shareholders Likely to Get Further Valuable Rights in the Future

From Our Own Correspondent.

MONTREAL.—The statement of Lewis B. McFarlane, president of the Bell Telpehone Co., at the annual meeting of the organization, to the effect that about nine million dollars of new money must be raised in each of the next five years to meet the normal needs of the company in new equipment, seems to make it almost certain that stockholders of Bell Telephone will have further valuable rights granted to them in the next few years.

Bell Telephone estimates that it will have a net yearly gain during the next five years of 50,000 telephones, or, in all, 250,000 new telephones, which would add fifty per cent. to the present total of installed telephones on the system. As each additional telephone placed in service entails a direct charge to capital, a great deal of new money must be raised. The company always has a certain amount available from depreciation reserve, but new money that must be raised either by the sale of stock or by the sale of bonds will total $9,000,000 a year for the next five years, or a total of $45,000,000. In addition, the company must raise by April, 1925, $16,750,000 to retire bond issues of that amount maturing on that date. This means the Bell Telephone must do financing to the amount of about $60,000,000 in the next five years.

May Sell Bonds

Much of this sum could be raised by the sale of bonds, and it would not be surprising if the Bell Telephone had a bonded indebtedness of twenty-five to forty million dollars within a few years. Nevertheless, it seems certain that new stock will have to be sold to raise capital, and it is likely that the procedure adopted this year of offering stock to the present shareholders at par will be followed. This year the rights granted to the shareholders had a value, as determined by the price they brought in the open market, of between $4.50 and $5 a share, which was equivalent to a dividend bonus of that amount. This year shareholders of Bell Telephone are getting not only their $8 of regular dividend, but this additional $4.50 or $5, making their return very nice.

The point has often been emphasized, and bears repeating here, that each dollar of new capital raised by the Bell Telephone Co. and invested in equipment begins to earn dividends as soon as it is put into service. Thus, the prospect of a great deal of financing, which, in the case of the ordinary industrial corporation might be a depressing factor for the stock, is not necessarily so in the case of Bell Telephone Co., and, in fact, the prospect of so much financing is a distinctly favorable factor in view of the fact that out of 16 issues of stock that have been made by the corporation since the original allotment, 13 issues have been sold to the shareholders at well below the market price, four of them in 1902, 1904, 1905, and 1906, at 125, and the remainder at par at various other dates.

The Grain Movement

OTTAWA.—Preliminary figures showing the receipts at head of the lakes also Vancouver, B.C., for the period from September 1st, 1923, to February 22nd, 1924.

	Ft. William and Pt. Arthur	Vancouver, B.C.
Wheat	235,580,281	25,843,075
Oats	25,888,191	130,993
Barley	10,676,691	......
Flax	3,477,023	......
Rye	4,243,221	188,820
Totals	279,865,407	26,162,888
Same period 1923	243,694,475	11,743,899
Increase over last year	36,170,932	14,418,989

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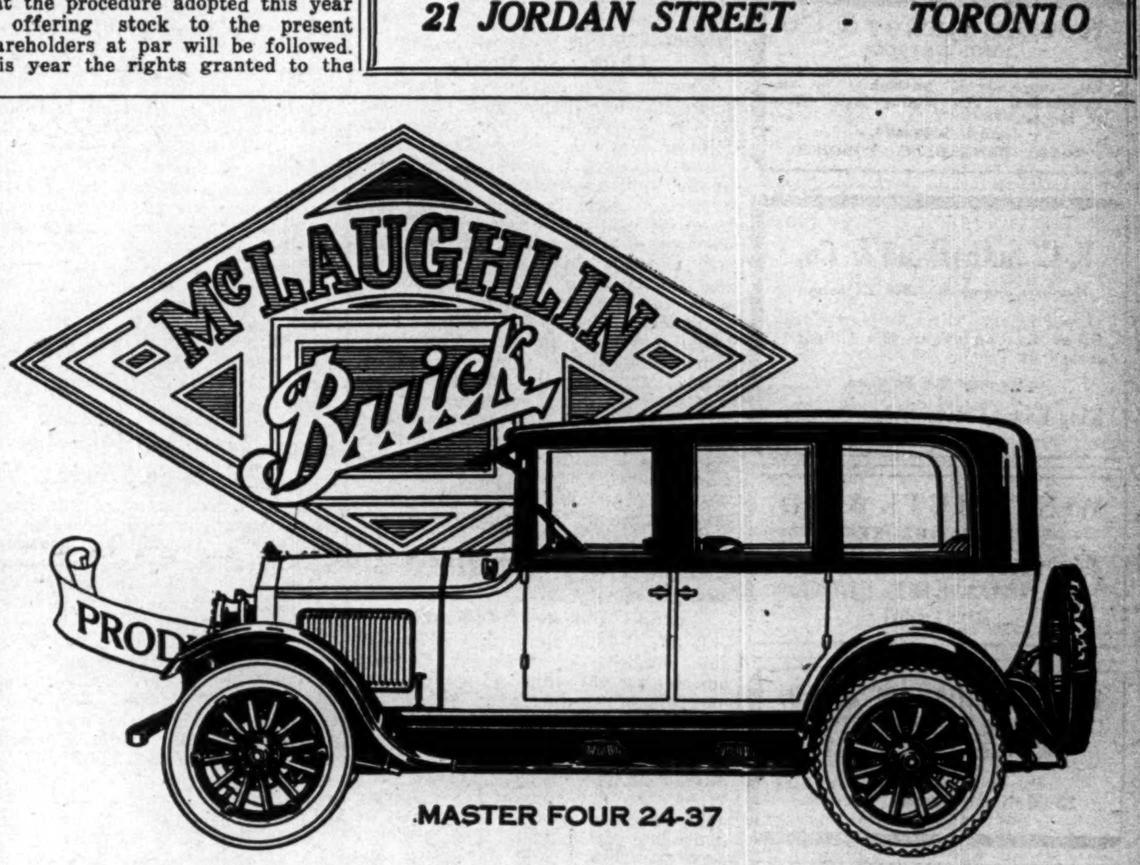

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MINING NEWS FOR THE INVESTOR

Mining Men Discuss Many of Industry's Important Problems

Canadian Institute of Mining and Metallurgy Holds Annual Session in Toronto—Papers Delivered on Many Subjects

The iron ore problem and other important problems of the Dominion were discussed this week at the annual meeting of the Canadian Institute of Mining and Metallurgy, held in Toronto. John Dressler, president, Montreal, presided.

G. W. MacLeod, the Soo, confined his remarks on the iron ore situation to Ontario, picturing what might be called Ontario's plight in the vital matter of its iron supply and emphasizing the findings of the Ontario Iron Ore Committee. He did not agree with the recommendation to appoint a geologist to assist in solving the problem of finding a suitable supply of commercial iron ore, insisting that one geologist was not enough.

Research in Mining

Prof. H. E. T. Haultain's six-minute paper on the subject of research in mining was provoked by the frequently asked question, "Why is there so little research work in the mines?" His answer was that it was all research work, all planning to-morrow's work on yesterday's results. It only seemed not to be research because it was not so labelled. Development of the fine points on the job itself is receiving more attention, experiment and study are being more and more detached from operation and organized as separate departments. The development of the fine points of the game in the big mines might bring more ore "in sight" than the discovery of a new district.

Chances for Quebec

Though there are, as yet, no proven mines in the Quebec gold belt, said W. M. Goodwin, editor, Canadian Mining Journal, there have been found scattered throughout its length of 100 miles, prospects of unusual promise. Any day now there may be an official announcement that one or more of them has proven ore that will warrant the erection of a mill and the building of a railway. The more important prospects, going from west to east, are the Lake Fortune, Arntfield, Powell (Nipissing), Horne (Noranda), Chadbourne (Noranda) and Stabell. Shafts are being sunk on all of these except the Arntfield. There are numerous good prospects in addition on which little work has been done as yet. A feature of the development is that the more important and more promising properties are held by companies, syndicates or individuals well accustomed to mining, and "wild-catters" have as yet only a very slight hold on the district.

Salt Industry in West

L. H. Cole dealt with the several salt deposits in Western Canada, mentioning the salts of sodium and magnesium to be found there, the principal ones being the hydrous sodium sulphate, mirabilite, and the hydrous magnesium sulphate, epsomite. These deposits are of two types, the dry-lake and the spring deposits, the former being the more prevalent of the two. The economic uses of these salts for pulp and paper, dye, textile and medicinal industries, were described.

Value of Maps

K. G. Chipman, Geological Survey, Ottawa, touched on the value of topographical and geographical maps in the work of the Geological Survey. The demand to-day is for maps of a high grade which shall meet not only the requirements of geology but of engineering and other needs. Some of the uses to the prospector and mining engineer were outlined.

W. S. Dyer on Minto coal basin in New Brunswick; H. R. Davis, of Southern Ontario Gas Co., on the new Romney oil well; Developing Zinc and Lead Deposits in Gaspe Peninsula, by J. C. Biedelman; Some Economies Effected in Mining Statistics, by S. J. Cook; Oil and Gas in Ontario, by R. B. Harkness, and Electrical Prospecting in Canada, by Sherwin F. Kelley, are addresses that have been delivered. Two important ones to be delivered are: Canada a Heavy Mineral Importer, by Dr. Chas. Camsell, deputy minister of mines, Ottawa, and Capital Opportunities in Mining, by Balmer Neilly, Ontario Mining Association.

Timely talks on mining

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Canadian Bingo May Soon Be Wound Up

WINNIPEG.—Fourth annual meeting of shareholders of Bingo Mines (Canadian) was held recently. Shares of the company have been listed on Winnipeg exchange with the approval of the public utilities commissioner, the initial price being 60c., par $1. On the curb these shares have sold from $1.25 down to 80 or 90 cents. Preferred shares in the English company, par value £1 each, were also listed. They are dealt in freely on the London stock exchange at about 22/- per share.

The Canadian company has no claims, having transferred its holdings to the British company. Its assets are shares in the English company. Expectations are that it will be wound up during the year and a distribution of the assets made. Holders of 100 shares will receive three preferred shares in the English company, carrying a preferential cumulative dividend of 10 per cent. and participating equally with the common as to further dividends, and twenty ordinary shares in the English company, of £1 each.

Joseph Myers, who organized the Canada company and who is now the managing director of the British company, is in England and consequently was not present at the meeting here. The shareholders of the company expressed their feeling of gratitude to him, not only for what he has done for the Bingo company, but also for what he has done toward proving the possibilities of northern Manitoba as a gold mining area.

The holdings of the British company are 370 acres, all near The Pas. They include the Bingo Fractional, the Ballard, the Ballard Fractional, the Trapper, the Le Ro, the Gold Eagle, the Pine, the Grassy and the Kenora.

Dome Handled Heavier Tonnage During Year

Dome Mines earnings during the three months ended Dec. 31, 1923 amounted to $1,145,178. Non-operating revenue for the quarter amounted to $62,432. After deducting operating and maintenance costs, $552,597 and reserving $36,069 for Federal income taxes, there remained a profit of $618,544. Surplus account at Dec 31 stood at $2,571,557. Capital assets are $6,282,646, of which $3,409,077 is for mining claims, and property, and $2,873,569 for plant, etc. Current assets are valued at $2,322,547. The dividend assurance fund consists of government, railway, and other bonds which are given a book value of $1,874,923, and the total fund is $2,022,053. The manager's review of 9 months' operations says that not only has the yield per ton been high, but the tonnage milled shows an increase of over 17 per cent. over the rate of the previous year. Ample hydro-electric power was available during the period, except in April, and sufficient labor was on hand to maintain the mine's tonnage. During the nine months, 362,177 tons were hoisted, of which 320,700 tons was ore which was sent to the mill and treated. Bullion to the value of $3,345,477 was obtained, and the average yield per ton was $104.318. The yield per ton is lower than during the previous year, but the increased tonnage milled offset this, resulting in a slightly higher rate of production.

Operating costs amount to $4.664 per ton milled, as compared with $5.255 for the previous year. The reduction is due to less steam power used, slightly less development work less broken or added to reserve, a portion of the winter only being included in the period under review, together with increased tonnage milled and various economies effected in the operation.

Will McIntyre Now Get the Plenaurum?

Goldale's misfortune, the dropping of the option on the property by Kerr Lake Mining Co., may prove to be McIntyre's advantage. Goldale and McIntyre have been after the Plenaurum. Goldalé wanted it and the Armstrong-Booth. There has been quite a contest for it. It is felt in some circles that the fact that Kerr Lake stopped work on the Goldale, will improve the chances of McIntyre.

PRODUCTION WELL MAINTAINED

February saw Northern Ontario gold production well maintained. The estimated output was 200,000 tons of $11 ore. Teck Hughes was $90,800, thus leading the Kirkland Lake producers. Keeley's silver output was 150,495 ounces, value $96,300.

DRILLING ON HUNTON

Development on Hunton, Kirkland Lake, has proceeded at the rate of 200 feet monthly during the past year. At present two diamond drills are working underground to cut the ore bodies at 800 and 1,000 feet. This is due to the present plant being good to develop only to 400 feet. Hunton had as fine surface showings as any property in the camp and should ultimately add to the operators of the camp.

Mining Shares Show A Downward Tendency

The mining market is away off color. The public seems to be sitting back watching while the professional element seems to be doing what it likes. Losses in the list have been general while increases are few and far between. The tendency seems to be to take profits while there is a real dearth of the kind of news from the north that makes the issues attractive. The fact of the matter is that mining investors have got so used to receiving spectacular news of development, that to-day the ordinary good news is considered too commonplace for notice. Close students of the market say they can see no signs for improvement and say they would not be surprised to see a further levelling of prices.

Ontario Mines Taxation Measure is Revised

The amendment to the mining act of Ontario, introduced by Hon. Chas. McCrea, to put the nickel-copper mines on the same basis in regard taxation, as the other mines, provides the following as the taxation for all Ontario mines. The tax is a graduated one on profits:—

Annual Profits		Tax
$ 10,000 to $ 1,000,000	......	3%
1,000,000 to 5,000,000	......	5%
5,000,000 to 10,000,000	......	6%
10,000,000 to 15,000,000	......	7%

Above these figures the increase is proportionate.

The tax will be based on the previous year's profits and the act stipulates what deductions are allowed before profits are arrived at.

Ontario Iron Ore Measure is Passed

The Ontario iron ore bounty measure has had its third reading in the Legislature and now awaits the signature of the lieutenant-governor. The bill went through under the able piloting of Hon. Chas. McCrea, practically the same as when introduced. One word in one paragraph, referring to steel plants, was cut out. It was of no significance and does not alter the workings of the bill. All eyes will now centre on Ottawa to see if the Federal Government will support the bounty by paying the other half cent per unit.

KEEPS OUT CAPITAL

B.C. People Concerned About High Mining Taxation

NELSON.—Heavy mining taxation is proving a severe handicap, particularly in its effect on outside capital, declares a resolution adopted at the annual convention of Associated Boards of Trade of Eastern British Columbia. The resolution urges the province to reduce taxation on mining to not more than one half the taxes imposed on other industries. The boards are also urging that the Provincial Government exempt from income tax, as does the Dominion Government, interest on money borrowed.

SILVER AND OTHER METALS

Silver—				
March	3	4	5	6
London (P)	33 7/16	33 9/16	33¾	33 7/16
New York	64⅛	64¼	63⅞	64
Copper	—	14	14	14
Lead	9.00	to		18.00
Zinc	—	6.75	6.75	6.70

Mining Stock Quotations

Week Ending March 4.

	High	Low	Close Mar. 4	Close Feb. 26
Algonquin	2	2	2	2¼
Argonaut	53	51½	52¼	52¾
Atlas	4¼	4	4¼	4
Baldwin	5¼	4¾	4¾	5¼
Beatty	5	4¼	4¼	4¾
Beatty Rts.	4	3⅝	3¾	3¼
Beaver	26¼	24	24	26
Bidgood	11¼	10½	10¾	10¼
Buckingham	5¼	5	5	5¼
Capitol	33	32	32¼	32½
Castle Tre.	72	64½	71½	66
Can. Lorrain	50	49	50	—
Coniagas	2.10	2.10	2.10	2.20
Cons. Smelters	37	35¼	36¾	37
Cons. West D.	26¼	24¾	25½	26¼
Clifton	9¼	8¾	9	8¾
Col. Kirkland	6¼	5¼	5¼	4
Crown Res.	65¼	60	62¼	64¼
Davidson	5¼	5¼	5¼	5¼
Dome Mines	18.00	17.50	17.90	18.00
Dome Kirk.	1	¾	1	1
Everett	13¼	12¾	13	13½
Gold Reef	2	2	2	2
Goldale	33¾	24	26¾	32¼
Hattie	9⅝	7½	7½	9¼
Lakeside	22¼	21	21	22¼
Hollinger	11.65	11.40	11.50	11.60
Hunton	6¼	6	6½	7
Inspiration	9½	9	9	9½
Indian	32	30	32	31
Keora	13	10	10	11¼
Keeley	2.47	2.28	2.28	2.46
Kirk. Lake	19½	17½	19	19½
La Rose	22	21	22	22
Lebel Oro	35	35	35	35
Lake Shore	3.62	3.56	3.62	3.60
Lorrain T. L.	1.35	1.28	1.28	1.27
Lorrain	15¼	14	14¼	15
McIntyre	7.15	16.90	17.00	17.20
McKinley	16	14¼	14¾	15¾
Mining Corp.	3.50	3.36	3.42	3.50
Moneta	22	21	21	22
Montreal, Ont.	19¾	14½	15	20
Newray	38¼	35	37	39
Nipissing	6.50	6.40	6.45	6.50
Night Hawk	95½	94	94	95½
Ophir	3	3	3	3
Pete. Lake	9	8¾	9	9
Porc. Crown.	10¼	8½	8½	10
P. Davidson	60	60	—	60
Preston, E. D.	12⅞	12	12¾	12⅞
Rouyn	42	61¼	42	41¼
Silver Leaf	⅝	⅝	⅝	⅝
Teck Hughes	1.34	1.22	1.25	1.25
Thomp. Krist	6¾	5¾	6	5¾
Timiskaming	31	30	30	30
Tough Oakes	74	70	71	72
Trethewey	10¾	9	10¼	9¼
Vipond Cons.	1.27	1.21	1.21	1.25
Wakenda	3½	3	3¼	3
Wasapika	4	3	3¼	4
West Tree	5¼	5	5¼	5⅛
Wettlaufer	20¾	18¼	20¾	19
Wright Har.	3.00	2.90	3.00	2.80
NEW YORK PRICES				
Inter. Nickel—				
com.	13⅝	12½	13¼	12⅝
pref.	80	80	80	79
OIL COMPANIES				
B. A. Oil	37	36	36½	36¼
Imperial Oil	111¼	111	111¼	115
Inter. Petrol.	20⅞	20¾	20¾	20¾
Mutual Oil	12¾	12¼	12¾	12¾
North Star—				
com.	1.06	1.05	1.05	1.00
pref.	3.50	3.50	3.50	3.50
Volcanic	94	94	94	94
Can. Oil	40	40	40	—

Messrs. Robert H. Mowat & Duncan A. MacGillivray beg to announce the opening of offices under the firm name of Mowat & MacGillivray, Members Standard Stock and Mining Exchange, for the purpose of transacting a general brokerage and investment business, specializing in Canadian Mining securities.

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HOLLINGER'S EARNINGS BY PERIODS

Net earnings of Hollinger were far in excess of dividend requirements for eight of the thirteen four-week periods of 1923. During four of the remaining periods the company drew on surplus to pay dividends and in the other period lost $145,000. These latter, says Pres. Timmins, were due to the power shortage early in 1923.

DR. BELL IN ENGLAND

Dr. McIntosh Bell, managing director in Canada for Huronian Belt Co., and consulting engineer on Keeley, Vipond and Canadian Lorrain, is in England meeting the majority shareholders in these companies. It is anticipated that when he returns he will announce a jump in Vipond mill tonnage to 500 tons.

Southern Canada Power Co.
LIMITED

DIVIDEND NOTICE NO. 17.

A dividend of one and one-half per cent. (1½%) on the PREFERRED STOCK OF SOUTHERN CANADA POWER COMPANY, LIMITED, has been declared for the quarter ending March 31st, 1924, payable April 15th 1924, to shareholders of record March 31st, 1924.

By order of the Board,
L. C. HASKELL,
Secretary-Treasurer.

Montreal, February 22nd, 1924.

NEWS OF THE BANKS AND BANKING

BANKER HEADS SASKATCHEWAN TRADE BOARDS

Does Good Work in Telling of Banking Matters

As president of the Associated Boards of Trade of Saskatchewan, A. J. Reynolds, manager of the Bank of Commerce at Saskatchewan, has been taking a prominent part in the public affairs of the province, and at the same time no doubt establishing valuable business connections for his bank. At the recent Moose Jaw convention Mr. Reynolds dealt in a comprehensive way with the business and agricultural situation, emphasizing the better position of the Saskatchewan farmer as compared with farmers in the Western States, and then turned to the banking situation, on which he did good work in improving public knowledge of the Canadian banking system. He was reported as below by the Regina Leader.—J. W. T.

In spite of a great deal of loose talk and thinking, Canada had a fine bank system. It spoke well for the Canadian people that they had not been stampeded into abandoning it under the cross-fire of adverse criticism.

After conditions, through which the world had passed in the last decade, it was natural that banking should suffer. But Canada with its branch bank system had escaped the calamities which had overtaken institutions in the United States. In ten years 1,875 banks had failed in the United States with a loss of $649,000,000; in the same period Canadian banks failing number 7, with an approximate loss of $25,000,000.

The speaker did not think there was any question of the superiority of the branch bank system of Canada over the American system. If small banks, with small capital, had been serving the needs of the West in recent years, agriculture would be on its back instead of on the upgrade. Canadian banks had nursed agriculture through its worst period, had carried the drought-smitten districts year after year. Their methods of finance permitted this.

Against Government Banks

Government banks had been proposed as a solution. The speaker's argument against them was that there was no personal competition, no initiative, little reward in prospect for those who were in charge of their administration. It was obvious what would happen if government banks were called upon to finance industry. The sluice gates would be opened wide for the politicians.

Mr. Reynolds commended the common sense of Alberta in abandoning the idea of establishing government banks and referred to the disastrous venture of Manitoba in this regard.

In regard to the proposal of deposits, he was in strong disagreement. It would place all of the banks on the same basis, the well-managed with the ill-managed institutions. It would be a repetition of the socialist doctrine that the successful should pay for the mistakes of the unsuccessful.

In eight states of the Union, the plan of guaranteeing deposits as between one bank and another had been tried unsuccessfully. The experiment of Oklahoma had been particularly disastrous.

Loss was $15,000,000

Shareholders and depositors in that state had lost $15,000,000 as a result, and for years there had been no money to the credit of the guarantee fund.

Last year's Federal amendments to the Bank Act, the speaker contended in conclusion, forced the Merchants Bank crash; the amalgamation and readjustment of other institutions which would carry on under the old order, but not the new. The Canadian public was now well safeguarded in the matter of bank legislation.

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THE profit on this investment is accumulative until May 6th, 1930, and as such is NOT SUBJECT TO INCOME TAX.

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POST-WAR EUROPEAN CURRENCY CHANGES

New Issues Bearing Many Unfamiliar Names Are Making Appearance in Europe

In discussing the various new monetary units in circulation in Europe since the war, the National Bank of Commerce in New York in the March issue of Commerce Monthly, **says:**

"New currencies bearing many unfamiliar names are making their appearance in Europe. Some of the seemingly new units prove to be old units under new names. The Republic of Latavia, for example, has adopted as its standard unit of value the lat, equal to a gold franc ($0.193). Notes issued by the Bank of Latvia are covered with a relatively large reserve of gold and foreign currencies. The gulden of the free state of Danzig is another unit lately adopted equal to one twenty-fifth of the pound sterling gold, which is approximately one gold franc.

"Lithuania has abandoned European precedents and fixed the nominal value of its new unit, the litas or lit, as one-tenth of the United States dollar. It is reported that there is a large reserve of gold and currency behind the notes and their value has been well maintained.

"Poland began the introduction of the gold standard on January 1, 1924, with a currency unit equivalent to the franc, for which the name zloty is used. Austria, having already stabilized its paper currency, has announced the introduction of a new silver 'shilling' coinage. The representative coin is to be equivalent to 10,000 kronen, or about one-seventh of a dollar.

"Germany's latest effort to reorganize its currency consists in the issue of rentenmarks, a temporary currency limited to a period of two years. While the nominal value of a rentenmark is one gold mark ($0.238) the new issue is not convertible into gold. The security behind the new notes is land and industrial property on which the Rentenbank holds a forced mortgage. The Free City of Bremen has adopted an emergency currency in the form of notes which bear on their face their value in dollars and also the equivalent in gold marks.

"A novel plan was undertaken in Czechoslovakia in the coinage of gold ducats which are not part of the regular monetary system and not considered legal tender. A certain quantity of bullion has been minted into ducats as 'counters of exchange' for use in domestic and foreign trade.

"The most notable change is Russia's effort to return to the gold standard by the issuance of the chervonetz currency. This is in the form of bank notes, for which a considerable reserve of gold and foreign currency is carried. The smallest denomination is one chervonetz, nominally equal to 10 gold rubles or $5.15."

Royal Bank Would Stabilize Our Currency

Since the beginning of the year, the premium on United States currency in Montreal has very gradually increased from 2 9/16 per cent. to 3 9/32 per cent. on February 23. As has been the case for some time past no sharp movement in the rate has taken place, evidence that the supply of New York funds offering, almost equals the demand at any given time. Buyers of United States funds, however, are obviously slightly predominant, and no special change can be looked for in this respect until the opening of navigation, unless Canadian bond issues of unusual size are floated in the United States prior to that date, says the Royal Bank of Canada. "As we have said on various occasions, this premium, which increases the cost of our large imports from the United States, is all the more regrettable in that it could easily be avoided by the adoption of proper measures for the placing of our currency on a stable basis."

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Feb. 28	3 7-16	3 5-16	1 5-8	1 1-2
Feb. 29	3 9-16	3 15-32	..	..
Mar. 1	3 1-2	3 3-8	1 9-16	1 1-2
Mar. 3	3 5-16	3 9-32	1 13-16	1 11-16
Mar. 4	3 11-32	3 5-16	1 5-8	1 5-8
Mar. 5	3 13-32	3 11-32	1 5-8	1 9-16

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Feb. 28	4.30 3-16	4.24½	4.31½
Feb. 29	4.29⅝	4.14½	4.30
Mar. 1	4.29¾	4.18	4.30¼
Mar. 3	4.29¾	4.07½	4.29
Mar. 4	4.29⅝	4.10	4.29
Mar. 5	4.29⅝	4.03½	4.29¾

THE CALL ON HOME BANK SHAREHOLDERS

G. T. Clarkson estimates that the call upon Home Bank shareholders slated for May 1 will bring in about $400,000. This is only about one-fifth of the double liability on the 20,000 shares of the capital stock of the bank. Other estimates of the amount to be realized by the call place the amount much lower than $400,000. There are 1,800 shareholders, and of these only about 350 have filed defenses at Osgoode Hall.

ADVANTAGES OF "PASSING BUCK" TO HEAD OFFICE

Some Points for the Branch Manager to Consider

The following article on the very important question of relations between branch managers and head office embraces the views of the superintendent of a leading Canadian bank as expressed before the Toronto Bankers' Educational Association. While the viewpoint is largely a head office one, the speaker, who has also had extensive experience as a branch manager, dealt with his question in a manner which should appeal to managers and should be valuable to them in maintaining mutually satisfactory relations with higher officials.

One important respect in which we sometimes fail to secure efficiency is through lack of co-operation between the head office and the branch managers.

We all know that the biggest item in a bank's profit and loss account is discount and interest, and the safe loaning of money is the largest single factor in a bank's success. To properly appreciate the importance of conservative loaning, one should keep constantly in mind that few banks make a net profit of 1 per cent. per annum on their total assets. Therefore, if we make a loss of $100, away goes our profit for a year on $10,000 of good loans. Occasionally a branch maanger will tell you that he could get lots of good safe loaning business but the absurdly conservative policy of his head office makes it useless for him to submit the applications. To err is human, and head office officials are not exempt, but branch managers should bear in mind that the general manager is as anxious for profits as any of his staff. The standing of the general manager with his board of directors depends on his ability to handle the resources of the bank safely, and at the same time report satisfactory earnings. If, therefore a branch manager has obtained the confidence of his head office, it is altogether likely that any safe and profitable loan accounts which he may submit to them will be taken up.

Branch managers should not be discouraged by what sometimes appears to be an ultra critical tone in head office letters regarding loan accounts. The branch manager is the point of contact with the public. It is an important part of his job to keep on such terms with business men in his district that they will submit to him their applications for loans, and as regards loaning business, the primary function of the head office credit department is to act as critic and restraining influence.

Head Office Facilities

When banks fix a comparatively small loaning limit for a branch manager and require all larger applications to be submitted for approval to a superintendent, or other head office official, it is not at all because they think the superintendent is a superman, and the manager just an ordinary one. A superintendent has at hand a credit department where records are kept of hundreds of loans: what the borrowers promised when they were made; and how they turned out. With experience it can be deduced that loans made to people in a certain class of business are attended with more than ordinary risk. He has also the great advantage that he can compare the progress which a firm is making year by year, with the progress of others in the same line of business. No matter what sort of loan is being applied for, the head office official, with the aid of his records, his recollection of similar loans that have come under his observation and last, but not least, the fact that he is at some distance from the customer, should be able to bring a valuable independent judgment to bear. He also has the benefit of the manager's recommendation, and from experience he has some idea whether the manager is cautious or an optimist.

A branch manager, with the customer sitting on the other side of his desk, is under this handicap in judging a loan, namely, that he has prominently in his mind his desire not to offend his customer, and, unless he is an experienced lender, this might lead him, if he had a wide discretionary power, to make advances which his own judgment would, immediately afterwards, tell him were unwise. It is therefore often a definite help to the branch manager to be able to state to the customer that the amount is larger than his discretionary limit and must be submitted to head office for approval.

A manager, when submitting credit applications, should, however, always make his own definite recommendation. The head office official has not the benefit of an intimate knowledge of the personality of the customer and unless the branch manager has reached a definite conclusion that the loan should be made the head office will probably take the safe course and decline it.

Experts Decided on Form of Gold Bank

PARIS.—A final agreement has been arrived at by the reparation experts and Dr. Hjalmar Schacht, concerning the form of the new gold bank which the president of the Reichsbank proposes to set up. This gold bank is to be absorbed later by the bank of issue, which the Experts' Committee will recommend to the Reparation Commission.

The Experts' Committee will recommend that the bank of issue be located in a neutral country, probably Holland, The Hague being favored as the seat.

Staff Gossip

W. Collie, formerly of Welland, has been transferred to the main branch of the Bank of Montreal in the Sault.—The Star, Sault Ste. Marie.

* * *

J. C. McAuley, who has been in the Markdale branch of the Bank of Toronto for some time, has been transferred to one of the branches in Toronto.—The Standard, Markdale.

* * *

H. C. McLean, for three and a half years manager of the Union Bank, Saskatoon, has been promoted to the managership of the Edmonton branch.—The Star, Saskatoon.

* * *

After four years' residence in Coaldale, T. L. Halpin, manager of the Standard Bank has been unexpectedly transferred to Raymond, where he will take charge of the branch of that bank there—The Herald, Lethbridge.

* * *

R. Mitchell, of Toronto, is to be the next manager of the Bank of Commerce, at Grimsby, A. C. Turner, the present manager, having been appointed to the inspection department. The change will be made some time this month.—The Spectator, Hamilton.

* * *

After a lengthy illness, Alfred C. Osborne, formerly a manager of the Bank of Montreal in Alliston, died during the week. Mr. Osborne had been manager of the Alliston branch for 17 years, going there from Tweed, Ont.—The Globe, Toronto.

* * *

At a meeting of the Saskatoon Bankers' Institute, the complete slate of officers for 1924 was elected, with W. J. Savage, manager of the Canadian Bank of Commerce, president. G. H. Harman has been appointed vice-president and W. Ritchie, secretary-treasurer.—The Star, Saskatoon.

* * *

W. W. Symons, manager of the Yates Street (B.N.A.) branch of the Bank of Montreal, will assume the office of manager of the Government and View Street branch of the same bank.

Mr. Symonds has been in Victoria for two years in charge of the Yates Street branch. Before that he was in

Sterling

The Sterling Bank announces the following staff changes:—E. G. Bourne, manager of the Home Bank at Sintaluta, Sask., has been appointed manager of the Wadena, Sask., branch. H. C. Roberts, manager at that point, has been transferred to Regina as manager. V. E. Appel, manager at Monkton, has been transferred to Palmerston to replace Mr. Jones, who recently resigned to enter other work.

L. A. McDougall has been appointed manager of Monkton branch.

C. H. Morrow, has been appointed manager of Straffordville branch, replacing Mr. McCrackin, who recently resigned.

W. N. Woolnacott, who was teller at Sudbury, has been appointed accountant at Church and Dundas Streets branch.

DENIES MERGER RUMOR

Rumors of an amalgamation of the Standard Bank of Canada with one or more other Canadian banks is emphatically denied by Thomas H. Wood, vice-president of the Standard Bank.

THE ROYAL BANK OF CANADA

Statement to the Dominion Government (Condensed)

January 31, 1924

Head Office MONTREAL

LIABILITIES.	
Capital Paid up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	1,085,830.67
Notes in Circulation	27,048,080.74
Deposits	437,483,891.53
Due to other Banks	15,396,847.66
Bills Payable (Acceptances by London Branch)	4,086,379.98
Letters of Credit outstanding	25,150,293.71
	$540,979,734.29

ASSETS	
Cash on Hand and in Banks	$112,494,829.90
Deposit in the Central Gold Reserves	7,500,000.00
Government and Municipal Securities	50,149,636.15
Railway and other Bonds, Debentures and Stocks	10,178,008.00
Call Loans in Canada	17,341,443.49
Call Loans elsewhere than in Canada	23,014,510.19
	$234,678,418.57
Loans and Discounts	264,456,426.54
Liabilities of Customers under Letters of Credit as per contra	25,150,293.71
Bank Premises	13,597,347.47
Real Estate other than Bank Premises	1,679,550.47
Mortgages on Real Estate sold by the Bank	397,697.23
Deposit with Dominion Government for Security of Note Circulation	1,020,000.00
	$540,979,734.29

670 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL, and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.

Paris Auxiliary—THE ROYAL BANK OF CANADA (France)

Weekly Bank Clearings

(In comparison with some week last year)

EASTERN CITIES

	Week end Feb. 28, 1924	Change
Halifax	$ 1,976,106—	$ 374,677
St. John	2,181,362—	445,922
Moncton	630,946—	298,001
Sherbrooke	608,322—	42,429
Quebec	3,925,372—	850,353
Montreal	76,295,770—	21,314,856
Ottawa	4,355,677—	891,276
Kingston	467,536—	14,739
Peterborough	636,571—	20,596
Toronto	82,909,614—	10,276,197
Hamilton	4,063,719—	626,759
Brantford	612,302—	170,907
London	2,058,295—	470,459
Kitchener	771,065—	139,810
Windsor	2,554,823—	412,467
Total East	$184,047,480—	$36,344,448

WESTERN CITIES

	Week end Feb. 28, 1924	Change
Fort William	$ 632,004—	$ 6,459
Winnipeg	31,068,824—	3,502,129
Brandon	345,434—	90,385
Regina	2,559,494—	76,455
Saskatoon	1,215,762+	26,463
Moose Jaw	804,858—	97,024
Prince Albert	278,683—	51,402
Lethbridge	467,491—	252,279
Calgary	7,236,078+	2,964,710
Edmonton	3,307,178—	245,502
Medicine Hat	343,697+	57,984
N. Westminster	497,763+	30,231
Vancouver	14,016,045+	976,676
Victoria	1,515,691—	169,019
Total West	$ 64,289,002—	$ 8,434,590

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	Feb., 1924	Change
Halifax	$ 9,924,920+	$ 135,566
St. John	10,587,153—	68,737
Moncton	2,921,500—	1,064,060
Sherbrooke	3,005,513+	209,418
Quebec	20,482,273+	1,935,562
Montreal	407,276,146+	58,145,081
Ottawa	23,329,212+	614,379
Kingston	2,230,370+	90,230
Peterborough	2,783,808+	349,253
Toronto	444,067,524+	101,962,347
Hamilton	18,615,934—	540,132
Brantford	8,278,549—	43,631
London	9,796,948—	373,121
Kitchener	3,926,214+	604,081
Windsor	10,121,042+	418,202
Total East	$972,347,106+	$157,374,388

WESTERN CITIES

	Feb., 1924	Change
Fort William	$ 3,036,806+	$ 316,273
Winnipeg	155,331,277+	22,736,769
Brandon	1,810,862+	83,402
Regina	12,181,540+	1,826,444
Saskatoon	5,786,870+	307,545
Moose Jaw	4,076,000+	726,252
Prince Albert	1,393,340+	156,444
Lethbridge	2,133,880—	2,328
Calgary	30,050,503+	14,007,260
Edmonton	15,924,179+	1,066,190
Medicine Hat	1,266,932+	142,809
N. Westminster	2,155,926+	247,801
Vancouver	60,586,078+	9,467,195
Victoria	7,886,699+	1,173,265
Total West	$303,620,892+	$52,256,121
Grand Total	$1,275,967,998+	$209,630,509

74th Annual Statement

OF THE

Ætna Life Insurance Co.

Hartford, Connecticut

MORGAN B. BRAINARD, President

Life, Group; Accident and Health, Group; Liability and Workmen's Compensation Insurance

CAPITAL STOCK, $10,000,000

JANUARY 1, 1924

ASSETS	
Home Office Buildings	$1,835,894.96
Real Estate acquired by Foreclosure	106,392.91
Cash on Hand and in Banks	8,632,587.45
Stocks and Bonds	85,306,186.30
Mortgages secured by Real Estate	89,694,052.94
Loans on Collateral	330,800.00
Loans secured by Policies of this Company	21,177,247.46
Interest due and accrued December 31, 1923	4,411,136.71
Due from Re-Insurance Companies and others	46,749.65
Premiums in Course of Collection and Deferred Premiums	9,541,980.69
Amortized Value of Bonds and Market Value of Stocks over Book Value, less Assets not admitted	3,564,266.99
Total Assets	$224,647,296.06

LIABILITIES	
Reserve on Life, Endowment and Term Policies	$152,676,806.00
Reserves not included above	5,723,857.46
Premiums paid in advance, and other Liabilities	2,836,259.18
Unearned Interest on Policy Loans	530,500.57
Taxes falling due in 1924	1,976,155.42
Reserve for Special Class of Policies, and Dividends to Policyholders payable in 1924	7,084,884.34
Losses and Claims awaiting proof and not yet due	2,385,863.77
Unearned Premiums on Accident, Health and Liability Insurance	8,759,920.15
Reserve for Liability Claims	11,389,160.03
Special Voluntary Reserves	3,500,000.00
Capital $10,000,000.00	
Surplus 17,783,889.14	
Surplus to Policyholders (including Capital)	27,783,889.14
Total Liabilities	$224,647,296.06

T. H. CHRISTMAS & SONS, Managers, Guardian Bldg., St. James St., Montreal.
D. J. JOHNSTON, Manager, 906-911, C.P.R. Building, Toronto.
A. D. ANDERSON, Manager, 604 Union Trust Building, Winnipeg.
J. F. BRANDT, Manager, 636 Rogers Building, Vancouver.

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

President - - - - JOHN BAYNE MACLEAN
Vice-President - - - - HORACE T. HUNTER
Manager - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corrections, will be inserted in the news columns unless marked "Advertisement."

Advertising matter which has a tendency to mislead or which does not conform to business integrity, is declined. Acceptances of advertising will not deter the editorial department from making such comments as the situation may suggest.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

MARCH 7, 1924

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

LABOR, NOT CAPITAL, GETTING LION'S SHARE

BECAUSE the increase in freight rates since 1913 is smaller than the increase in the cost of living and in wages, the Washington Bureau of Railway Economics finds that the cost of transportation service, considered as one factor of distribution, is lower relatively than the cost of other services involved between producer and consumer. The abnormal increase in wages as compared both with the cost of living and with freight charges, is brought out:

The cost of living at present, according to the United States department of labor, is 72.1 per cent. greater than the cost of living in 1913. The average hourly wages of unionized workers increased 93 per cent. between 1913 and 1922, and has increased from 6 to 10 per cent. since 1922, so that union wages are now more than 100 per cent. greater than in 1913. The hourly wages of railway employees have increased 133 per cent. since 1915, while their annual earnings have increased 97 per cent. Freight rates generally are now 54 per cent. above 1913. According to Secretary Wallace, freight rates on wheat from country shipping points to primary markets are 45 per cent. above the pre-war rates. Railway taxes per mile are 160 per cent. higher now than in 1913.

Agitators create a great deal of discontent about the relations of capital and labor, always trying to show that these are unfavorable to the workers. A careful study of the situation, however, would seem to indicate on the basis of the figures given above that the division between capital and organized labor is unfair to the investor and to all workers who are not unionized but who must pay the increased cost of living without a corresponding increase in buying power.

A PROSPEROUS PEOPLE CAN PAY TAXES

AN ENGLISH business man who is thoroughly acquainted with conditions in Canada and who has been watching the campaign of THE FINANCIAL POST to secure a reduction in Government expenditures, declares that the one tax which needs to be carefully watched, is the income tax. His warning to Canada regarding income tax is based on what he has seen in England. If the income tax is allowed to grow in Canada, as it has in England, he says the spending power of the Government departments will become out of all proportion to actual wealth produced by the people; the net amount collected from income tax has no relation to the actual wealth produced by the people—it is just a tax on money as it is circulated. Further regarding the present situation in England, he says:

"We are having interesting political developments. I do not know what will happen, but it has been my opinion all along that we cannot carry an £800,000,000 budget and revive our trade. The heavy taxation makes capital scarce and investors look only for the gilt edged. Ordinary commercial enterprises are too risky yet we need £500,000,000 more money if productive industry is to absorb our present surplus population."

It is a fundamental fact that in the long run taxes are paid by the consumer. Assuming, then, that Canadian consumers must bear the charges of the national debt and the cost of necessary public service, it is highly important that the country should be prosperous so that the tax burden will not be too heavily felt. Experience has shown that the heavy income levies do not place the burden of taxes on the wealthy actually, because capital seeks conservative investments where there is little income to tax and in following the course of "safety first" capital avoids those new undertakings and developments which make for employment and increased prosperity for the people as a whole.

To give capital encouragement, insure prosperity and provide the people with the income with which to meet their taxes, the income taxes in the United States are being materially reduced. Canada is going to be at a great disadvantage if Ottawa does not do something in the same direction.

TAXPAYERS PAY IF BORROWERS DO NOT

A LOAN company in Western Ontario had a mortgage of $3,500 on a local farm. Great difficulty had been experienced in collecting the payments; delays of several months were usual and frequently the money had to be "dragged out" of the owner. On the same property was a second mortgage for $1,000, held by a private investor. The latter pushed the owner for payment recently and he applied to the Ontario Government Loan Board. He secured the whole $4,500 without any difficulty.

The mortgage company in this case got out of a loan which was regarded as one of the worst on its books. And it is only a typical instance of what has been done many times since the Ontario Government started into the farm loans business. In fact loan companies often send applicants regarded as undesirable, to the Government office where they seem to have little difficulty in getting the money.

It is, of course, no trick for the government to lend money to farmers who cannot get loans from the mortgage companies and the banks. But it will be another matter when it comes to making the collections. A loan on poor security is a doubly weak proposition when the money advanced is from the Government, for experience with such loans in Western Canada has shown that debtors think of the Government last—if ever. And these loans are being made from funds raised on the credit of the province and the taxpayers will have to pay if the borrowers do not.

IRON ORE AWAITS DEVELOPMENT

THE placing of the order for structural steel for the new elevator at Vancouver with an eastern mill in the United States, because steel of this type is not manufactured in the Dominion, caused the Vancouver Sun to remark in the past week that "British Columbia minerals feed American smelters. With mountains of ore lying undeveloped in the province, Vancouver has been forced to send across the continent for steel that should have come out of our own mines, be refined and smelted in our own plants to enrich Canadian payrolls and industry at every step of the way."

Conditions in Ontario parallel those in British Columbia. The development of the ores that lie within the borders of the eastern province is just as important, if not more so, as the development of those on the Pacific coast, and it is a hopeful sign that an Ontario government has at last apparently realized the ores are at hand and that by means of a bounty much may be done in the near future to bring about their utilization, says Canadian Machinery.

HARD FIGHT TO KEEP ON TOP

TO THE members of the Canadian National Newspapers and Periodicals Association, an inspiring message was given recently by the Hon. J. S. Martin, Minister of Agriculture in the Ontario Government, when he pointed out that the biggest fight in life was not to reach the top but rather to stay there.

"People tell me that I have arrived, that now my reputation is made I shouldn't have to advertise," said the Hon. Mr. Martin, adding: "But that's where they make a mistake. It is usually a hard fight to reach the top, but it is even harder to stay there. The man who is a success is hammered at on all sides and he has to work and fight even harder than before to keep the advantage he has won."

In the foregoing statement is a message for every man in the foodstuff business—manufacturer, wholesaler and retailer, says Canadian Grocer. A substantial business and a growing bank account may tempt a man to quit, to rest on his oars. But, as Mr. Martin points out, this is a dangerous policy. The struggle to "get there" must be succeeded by the struggle to "stay."

IF GOING ABROAD

THE failure to provide themselves with proper credentials is often the cause of vexatious delays and embarrassment to business men traveling in Europe.

What these travelers seem to forget is that they sever immediate contact with the highly developed channels of credit information to which they are accustomed at home and enter, to all intents and purposes, a new world where their identity may sometimes be established only with difficulty and delay. Moreover, Europe is not one market but a group of many markets whose representatives are constantly passing back and forth. This interchange has developed particular attention to identity, for there one may not establish the conditional basis for business, investigate character, and still confirm the transaction in the course of a few hours or a day or two. One brings the proof of his commercial character with him as a prerequisite to business. Its absence is unfavorably noted.

Credentials that serve the purpose are those issued by the bank, or banks, through which the traveler finances, by chambers of commerce, and those from buyers or clients in the trade.

ONTARIO A POOR BOND BUYER

IN ONE case the succession duty free bonds bought in by the Ontario Government, were paid for on the basis of 118.78 and in another at 108.63. These were substantial blocks. Smaller blocks were bought in around par, and less than par in one case.

The bonds were secured from a large number of firms. There was no evidence of favoritism on the part of the Government. But when there is a difference of nearly 20 points in the prices paid the best construction that can be placed on the whole business is that there was a lamentable lack of financial experience displayed, for which the provincial treasurer must be held responsible.

This experience of buying in between $8,000,000 and $9,000,000 of government securities at prices ranging close to 20 points, would be difficult to credit were the figures not revealed in the official statements. No stronger argument could be advanced for the placing of public finance in the hands of experts. That an experienced financier would have known so little of the market for Government securities passes comprehension. Premier Ferguson has intimated since coming into office that steps would be taken to appoint a commissioner of finance for Ontario. It is hoped that the Government has not dropped the idea.

EDITORIAL NOTES

WAGES generally are now advanced to the highest average level ever developed in peace times, according to the National City Bank of Chicago.

* * * *

REPORTS from England indicate that Canada is putting a better quality of bacon on the British market than is Denmark. When the British public is convinced of this and Canadian farmers and packers can give assurance that our bacon will be maintained at this high standard, it will be a great day for Canadian agriculture.

THE OLD MAN OF THE SEA

Public Efficiency Necessary to Bring Reduction of Taxes

Further Examples of Waste and Extravagance in Handling the People's Money at Ottawa—The Big Question is, "What Are We Going to Do About It?"

By GRATTAN O'LEARY, in MacLean's Magazine.

Since the beginning of the publication of these articles by MacLean's, the King government has proclaimed a policy of economy. Undoubtedly affrighted by a nation-wide protest against waste, the prime minister on February 1 summoned a meeting of deputy ministers and announced the following:

1. The Dominion Audit Board, under the chairmanship of Mr. Gonthier, the new auditor-general, will make an investigation of overmanning, waste, overlapping and duplication in the civil service.

2. There will be a superannuation bill to retire from the service all those whose advanced age has impaired their usefulness and efficiency.

3. An effort will be made to consolidate and unite departments, to the end that reductions in staffs may be achieved; and all those whose services can be dispensed with without impairment of administrative efficiency will be dismissed.

4. An attempt will be made to clear up the housing condition of the service (exposed in Article No. 2 of this series) with the object of obtaining greater efficiency and of avoiding rental waste.

"When the Devil Was Sick—"

Upon the principle that a portion of a loaf is better than no bread, these steps, or proposed steps, must be commended. Yet knowledge of the labyrinthine ramifications of government waste, combined with experience of the value of government promises—any government!—compels the warning that the time has not yet arrived for those who have been attacking extravagance to throw their hats into the air.

In the first place, there is something disturbing in the fact that Mr. King, after sending for the doctor, protested that the patient was not ill. He summoned Mr. Gonthier to enter the departments with flaming sword to banish overmanning and waste; but in the next breath he characterized attempts by the writer of these articles to show that overmanning exists as "misleading and grossly unfair."

In the second place, it is well to consider Mr. Gonthier's qualifications for his anti-waste crusade. What are these qualifications? Mr. Gonthier has never seen the civil service, and cannot possibly be familiar with the multiplicity of aspects in such an intricate, complex machine. He is given the assistance of two chartered accountants whose salaries (fixed by statute at $3,000 a year) preclude the probability of their being efficient. And with this inexperience and lack of capable help he is asked to (a) inquire into the audit system of government finances, (b) investigate the finances of the Canadian National Railways, (c) clean up the civil service, and (d) report to parliament this present session. Not only that; but the audit board, which is to do all these things, goes out of being (according to the statute creating it) in 1925.

Now that, quite clearly, is absurd. Mr. Gonthier can no more clean up the civil service in time to tell parliament about it this session than he can get into communication with Mars. The proposition is impossible. It may be, of course, that Mr. Gonthier will be given efficient help and ample time and opportunity to prosecute his work. If this be done, if the investigation be fearless, thorough, intelligent and fair, and if the proposals for consolidation be of the right character, then doubtless much good will ensue. If, on the other hand, the audit board is rushed, or hampered, or restricted in its work, if there be the slightest inclination to introduce partizanship into, or to make political capital out of, the inquiry, then the work will damned from the first.

Major Operation Needed

For an uprooting of waste from the civil service can never be achieved by the mere indiscriminate dismissal of a few hundred civil servants. What is required is a major operation. What is needed is not so much a combing of branches as a sheer abolition of branches, a ruthless extinction of overlapping and duplication and of wasted, futile effort. Let me give an illustration of what I mean:

Two government departments carry establishments for precise levelling.

Three departments have establishments in connection with topographical maps.

Seven departments have photostat establishments.

Five departments support establishments and equipment for the purpose of blue-printing and reproductions.

One department has five distinct engineering branches; and it is said that only one of these operates under the departmental engineer.

Dredging, with its costly overhead engineering establishments, is carried on in three different departments.

Surveying work is carried on in three different branches of one department.

One department has seven distinct branches dealing with lands, each having its own expensive overhead establishment.

Now the need here is not for dismissals; it is for wholesale abolition, or at least intelligent consolidation. Dismissal of a few hundred employees would mean a saving of some thousands of dollars; ordinary, common-sense centralization would mean a saving of millions.

Mr. Gonthier is to investigate waste in government reports. He will find it a rich field for his effort. For the waste that goes on in the preparation, duplication, printing and distribution of government reports simply baffles computation. Blue-books upon every conceivable subject upon which governments exhaust their capacity to meddle; reports that range all the way from learned treatises upon bugs to hearings upon the marital disasters of John Jones whom the Senate has divorced from Mrs. Jones; Hansards and reports of committees that bulge with the verbosity of politicians; statistics duplicated and reduplicated, printed and reprinted; maps, charts, returns, the outpourings of commissions that have discovered what everybody knew before—all these are turned out by tens of thousands each year, and go only Heaven knows where.

I have hear Sir George Foster declare in parliament that he looked upon most government reports "only to wonder that the ingenuity of man could devise things so useless." And he spoke the literal truth. For these reports, as dry as the Sahara, verbose to the point of weariness, and thronged with statistics that tell of nothing in particular, are never read. They use up tons of good white paper, they compel employment of hundreds of civil servants, they are often used to provide fat printing contracts for friends of the administration; and they are mailed out all over the country, and usually end up in the waste-baskets of their disgusted recipients. The government maintains a printing bureau in Ottawa. Years ago it ranked next to the Intercolonial as the prey of politicians, but recently it has somewhat improved. That printing bureau costs the country hundreds of thousands of dollars each year; but let nobody suppose that it does all the government's printing. Far from it. A large proportion of government printing goes to outside firms—usually to friends of the ministry. Thus in ten years of Conservative rule something like a million dollars was paid into the coffers of the Montreal Gazette.

But the Gazette has not been permitted to snatch all the plums. There were others to be looked after; and so we have seen alternate syndicates of Liberals and Conservatives printing the Labor Gazette; and we have had the spectacle of obsolete reports actually being revived and printed in French for the benefit of a government's friends. And this sort of thing, this senseless, vicious drain upon the treasury, has been going on for years.

Ridiculous Ignorance

Let me give an illustration—two illustrations—of the waste and the asininity or carelessness that go on in the distribution of these government reports. It is now five years since the Ottawa Free Press ended its career. Yet, somehow or other, its demise is unknown to some of the gentlemen who mail out these dreadful blue books; and, month after month, the reports of a number of departments are mailed out to the Ottawa Free Press and come to the Ottawa Journal.

It is twenty years since the Hon. Charles Marcil was a member of the Press Gallery. It is fifteen years

(Continued on page 15)

Mr. O'Leary's Nine Suggested Remedies

1. Retrenchment should begin with parliament itself. I would reduce the sessional indemnities of senators and members of the Commons by one thousand dollars—making the indemnity $3,000 instead of $4,000 a year. (Up to four years ago it was but $2,500.) As there are 235 members of the Commons and ninety-six senators, this would effect an annual saving of $331,000 a year.

2. The Cabinet should be considerably reduced in size; there being no satisfactory reason why the cabinet which governs nine million Canadians should be twice as large as the cabinet which governs one hundred million Americans. Railways and Canals, Marine and Fisheries, and Public Works are all public works; and should be under one department—Public Works—in charge of one, instead of three ministers.

The department of the Secretary of State should be abolished. Its chief duties are the incorporation of companies—clearly a proper function for the department of Trade and Commerce. The departments of Customs and Finance should be merged into one. These departments are both concerned with fiscal questions; and there is no sound reason for two ministers or for two large separate staffs.

Finally, the office of the solicitor-general should be abolished altogether. In England the solicitor-general takes charges of court cases in which the government is concerned. In Canada the same work is performed by the deputy minister of justice; the solicitor-general rarely, if ever, goes to court; and there is not a duty or a task in his office would could not be performed by the officials of the Department of Justice.

Such an amalgamation, if carried out, would reduce the present cabinet of fourteen ministers to a cabinet of nine ministers. It would mean not alone the saving of salaries of five ministers; it would almost certainly save hundreds of thousands of dollars annually through the reduction of staffs and the greater efficiency and mobility that amalgamation of departments would involve.

3. The Civil Service Act should be amended to give (a) deputy ministers more control over their staffs and more voice in promotions, and (b) to secure some elastic system under which employees may be transferred quickly from one department to another; this to replace the present system under which, largely because of the red-tape in securing transfers, a department in need of extra help rarely seeks it from another department, but advertises for additional employees.

4. Some kind of board or committee should be established which would exercise the same control or check upon the growth of the staffs of departments that is exercised by the Treasury Board in England. The British Treasury Board from time to time compels heads of departments to appear before it and show cause why their staffs should not be reduced, or why extra help taken on in cases of special work or emergency cannot be dispensed with. In this way overmanning is prevented. A similar control should be and could be established in Ottawa.

5. Civil servants should be compelled at work at least seven and a half instead of six and a half hours each day; a stop should be put to the practice whereby the whole administrative machinery of the country ceases on every church holiday; and the four o'clock closing hour in summer time should be abolished.

6. The system whereby the Civil Service is scattered all over Ottawa, thus prohibiting efficiency, should be abolished as soon as practicable. Departments should be consolidated; duplication of effort abolished; and rentals, where and when necessary, should be placed upon a business-like basis.

7. The War Purchasing Commission should be restored and placed upon a basis independent of partizanship and patronage. It should have charge of all important government purchases (apart from petty departmental transactions) and have full power to obtain all government supplies and material solely upon the principle of good business.

8. An editorial committee should be given wide powers to supervise, edit and restrict government publications. It should not only co-operate with departmental heads in restricting the size of government reports, but should endeavor to eliminate the enormous duplication that exists, and should possess certain powers of veto in respect of the publication of reports which possess no real value.

9. There should be a committee of the House of Commons to deal with estimates, such as is the case in England. This committee, which should be composed of the best men of all three parties, should consider all estimates solely upon their merits. It would not be easy to free it entirely of partizan considerations, or of other obvious weaknesses; yet I am convinced that it would exercise a potent check upon the "Pork Barrel," and that it would in large measure prevent all kinds of expenditure being rushed through the House without adequate consideration in the dying days of the session.

PERSONAL

WILLIAM THOMSON SMITH, who died recently in London, Ont., was one of the early pioneers of Western Canada, having been for years a factor of the Hudson Bay Co., and later an intimate associate of Lord Strathcona and other leading Canadians in the building up of the West. For some years after coming East Mr. Smith was manager of the Traders Bank. Strathroy.

W. H. CHASE, of Wolfville, N.S., is the president of the Avon River Power Co., which has just completed work on a new development to supply power to the Annapolis Valley. Mr. Chase is the "apple king" of the Land of Evangeline, and in addition to being Nova Scotia's largest apple exporter is reputed to be the richest man in that province. His interests have gone largely to public utility enterprises and in addition to being president of the Avon River Power Co., he is director of the Trinidad Electric Co., and of Porto Rico Railways. He is also a director of the Eastern Trust Co.

HUGH PARK, recently chosen by the board of directors of the Nipissing Mining Co., to succeed the late R. B. Watson as general manager of the mine, has been connected with the management of this property since 1906 and for several years has been designated resident manager. The appointment assures the continuation of the high class management and open and frank policy towards the shareholders, that has always attended the operations of this company. Mr. Park has long been recognized as of outstanding ability and is so deservedly popular, that the congratulations and good wishes of the whole mining fraternity are extended to him.

JOSEPH ALLISON, whose death occurred at Rothesay, N.B., was the only surviving member of the mercantile firm of Manchester, Robertson, Allison, as originally constituted, this St. John concern being probably the most important dry goods, men's wear, furniture, house supplies house in the Maritime provinces, there being wholesale and retail departments in each. Mr. Allison was eighty-four years old. James Manchester, another of the members of the original partnership, died in 1923, at the age of ninety. James F. Robertson, the third member of the original firm, died several years ago, when in his seventies. All of the partners lived beyond the three score and ten allotment. As was the case with his partners, Mr. Allison was not alone financially interested in the development of the company that bears his name. He was for some years a director of the New Brunswick Telephone Company, Portland Rolling Mills, Maritime Nail Company, and was one of those instrumental in the founding of a pulp mill at St. John, now the Nashwaak Pulp and Paper Company's plant. He was also financially interested in the St. John Dry Dock and Shipbuilding Company.

RUSSELL D. BELL is the president of the Jamaica Public Service Company which took over the properties of the West India Electric last summer. This fact is revealed by the appearance of his name in the company's first annual report which came out this week, although no previous public announcement has been made. Mr. Bell went to Kingston, Jamaica, last spring and most of his friends thought he went down for a game of golf. But when he came back he had the West India Electric in his pocket. The company has been refinanced and wide distribution obtained for its bonds and preferred shares. Many other important changes are under way. The properties are being rapidly brought up to a state of modern efficiency under a firm of outside managers; new accounting systems are being installed; employees are being trained to serve the public better; advertising is being done to win the good will of the communities served and the shareholders are being given more information as to their properties and the operations of them. Mr. Bell is a partner in the investment house of Greenshields and Company, and was once president of the Bond Dealers Association of Canada.

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INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

HATTIE MINES

Reader, Chatsworth:—I shall be obliged if you will favor me with information as to the record and standing of Hattie Gold Mines.

Hattie property is regarded as a good prospect. The proposition has, however, been presented in an unfavorable light owing to litigation over stock deals and this is going to hurt the market for a long time. Besides the price at which shares have been sold was hardly high enough to ensure it a bright future.

MATACHEWAN CANADIAN

Reader, Saskatchewan:—Can you give me any particulars of Matachewan Canadian? I purchased a few shares in the company about a year ago but cannot find that they are doing anything.

Matachewan Canadian is a property of merit. It has known ore bodies, revealed by diamond drill, of considerable magnitude. For the past year an effort has been made to finance it, without success. At the present time negotiations are said to be on with some big interests that may result in securing sufficient money to develop the property.

INSURANCE IN ALBERTA

Doctor, Alberta.—Please give me what information you can regarding the Home Assurance Co. of Calgary.

We learn that the Home Insurance Company of Calgary has been registered under the Alberta Insurance Act since July 31, 1923, to transact accident, sickness and automobile insurance in the province of Alberta. The head office of the company is at 127 Eighth Ave., Calgary, Alta. We would suggest that you write the Deputy Superintendant of Insurance at Edmonton to make sure that the company maintains the required reserve and deposits with the department before placing insurance with it.

LOEW'S, HAMILTON

A. D., Ontario:—What status does Loew's of Hamilton bear to United Theatres of Hamilton? Was there an exchange of certificates? Has there been a dividend paid or do you know what the likelihood is of dividends being declared? Is there a demand for Loew's and at what price?

Loew's, of Hamilton, is a unit of the Hamilton United Theatres. There was no exchange of certificates. Loew's paid a dividend about 1919 or 1920, on both the preferred and common stocks. The best quotations available are preferred around $38 and common $2. For some time past, we understand, Loew's, of Hamilton, has been a losing unit. Pantages has been playing to crowded houses at practically every performance. The Strand Theatre, Limited, a small store and other property, is included in the United Theatres.

KEELEY

Mrs. E. R. T., Toronto.—Do you consider Keeley as a safe investment? Do you consider it will advance materially in the next six months?

We would not regard Keeley Mining stock as a safe investment. Mining issues are always speculative. Keeley mine is doing well, though the stock is selling fairly high. The par value is $1 per share and the present market price is $2.30 a share. This you will see is nearly two and a half times the par value. The Keeley is paying regular dividend of 16 per cent., and for the present half year paid a bonus dividend of 8 per cent., making 24 per cent. or 24c. a share, paid in the year. We understand the mine shows sufficient ore in sight to insure profits of about $4 per share. There is always the possibility that the next level may be the bottom of their output, and with the small acreage which the company has, such an event would soon mean its quick termination.

N. A. ANTIMONY CO.

J. W. L., Massachusetts:—A relation of mine purchased some stock in North America Antimony Smelting Co., Ltd. I am a little suspicious of the proposition and would be interested to know if you have anything on your files about them.

We have not been able to get very much information. North American Antimony Smelting Company is located at Lake George, York County, N.B. Inquiries from responsible New Brunswick people bring the information that the stock was sold there over a year ago. They do not know if there is any market for it at the present time. The prospectus of the company does not reveal any really valuable information. It shows that the capital stock of the company is $2,000,000. It makes no mention of how the 440 acres of mining land were acquired, whether cash was paid or stock, and it does not state how much stock remains in the treasury. The prospectus is offering $200,000 worth of treasury stock to provide for increasing the plant and installing new machinery. They estimate a gross profit of over 60 per cent. on the capital stock.

Officers of the company are given as Walter F. Dixon, president; A. F. Saurel, secretary and treasurer; D. N. Crowe, manager; directing engineers, Ricketts & Company, New York. I understand their New York offices are located at 505 Fifth Avenue.

ORDINARY LIFE POLICY

Banker, Fredericton.—I am enclosing herewith a folder put out by the Metropolitan Life Insurance Co., with regard to a special $5,000 whole life policy on which they claim to allow special dividends on the third and fifth years and each period of five years up to the fifteenth year reducing the amount of the premium payable by 2½ per cent. on the third year's premium up to the fifth payment, when there is a further 5 per cent. reduction on the premium and again on the tenth payment another reduction, altogether reducing the premium to quite a low figure. I am not quite sure whether these figures are what they quote, but it is on this principle the policy is issued. It is claimed that this is a special policy issued only to business and professional men. Under the above condition a very cheap insurance is given. I would appreciate it if you could give me any information with regard to this policy and whether you would consider it a safe policy to take up.

The Metropolitan Life Insurance Company is one of the largest and strongest life companies in existence. It has an extensive business in Canada and maintains government deposits and reserves to cover all its business in this country.

The whole life policy for business and professional men, which you refer to, is a good one. It gives adequate protection at low rates and the dividend has so far been highly satisfactory. Of course, the company does not guarantee that dividends on the policy will be maintained at present levels, but there is every reason to expect this or even an increase of the scale. You will do well to allow the dividend to be applied in reducing future premiums so that the cost of carrying the insurance should you live for a long period will be comparatively light.

HEAVY MINING LIST

H.E.T., Sask.—I have purchased about half the stocks listed below and carry the rest on a 50 per cent. margin:

C. W. Dome	1,500	31½
C. W. Dome	2,000	27
C. W. Dome	1,500	26½
Goldale	600	49
Goldale	1,000	43⅛
Baldwin	3,100	5 3-5
Clifton	1,000	11¼
Castle	1,000	63
Lake Shore	50	3,40
Lake Shore	80	3,58
Indian		38
T. Krist	1,000	5¼

Is Baldwin going? Is T. Krist worth holding? Is the Indian good to hold for some months? When can one expect to benefit by Lake Shore's increased capacity? Is it wise to retain the West Dome on strength of chances at depth?

We do not look favorably on your Thompson-Krist stocks. From information given us by the secretary, the stock seems to be worth about one cent a share. Your Baldwin is a gamble. Your holdings in Consolidated West Dome Lake are quite large. This stock is subject of many rumors. The secretary of the company has made a statement that they are financed sufficiently to bring the mine into production, and that before very long they will have their mill operating. There are skeptics who do not believe this, and rumors are hurting the stock.

Since you wrote Kerr Lake has quit Goldale. Developments on the property were not as promising as expected. Other companies are said to be after it and it may come back strong.

Clifton is a prospect and may come along later. Your Castle and Lake Shore are good. Indian is pretty far away. The only redeeming feature about it is that you got it at 38c. So far it has only proven up as a base metal mine.

ASC INVESTMENT-SERVICE

Bonds to Yield 6½% and More

The time may not be far distant when yields of 6½% and higher on high-grade Corporation Bonds will cease to be obtainable.

Those who invest in such Bonds at current prices can ensure a satisfactory income return for many years to come.

Write for our List "G.O." which contains a selection of particularly attractive investments.

Royal Securities CORPORATION LIMITED

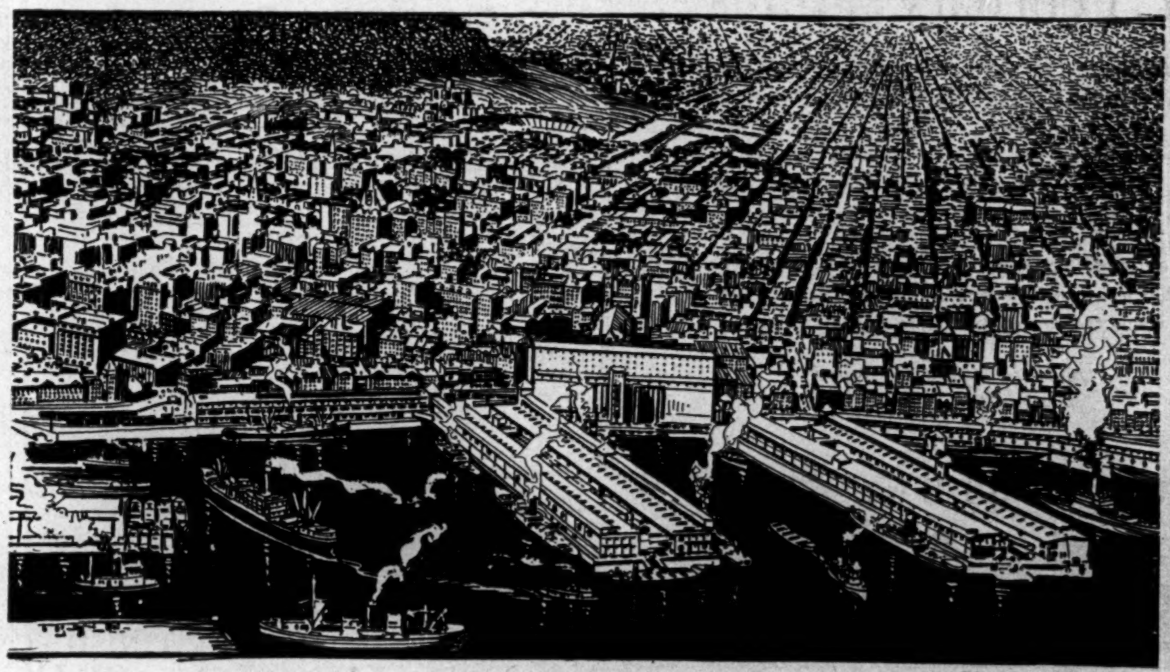
164 St. James Street
MONTREAL

Toronto Halifax St. John
Winnipeg Vancouver

WANT GAS CARS ON RAILWAYS

NELSON.—The use of gas-propelled cars by the railways in isolated districts where settlers are now complaining that three trains a week service is working a hardship on them, is being urged on the railways by the Board of Trade of Nakusp.

Aeroplane view of a section of Montreal, 2nd largest seaport of North America



Some Montreal Tramway Facts

FEW Montrealers—few Canadians—realize that Municipal and Traction authorities from all parts of the United States, come to Montreal to study its traction system, in the hope of paralleling some of its great records of accomplishment.

It is a far cry from the first little 18-foot long horse-car of the City Passenger Railway in 1861, to the scientific electrical service of the Montreal Tramways Company as perfected by the present management. Instead of 61 horse-cars, there are now 900 of the largest, well-lighted and most comfortable, all-steel cars on the Continent. These are swept every night by vacuum cleaners and dusted, and washed every third day—a record for cleanliness that is the despair of cities in the United States.

Instead of several independent companies, each collecting a separate fare, these have been united and merged with the Montreal Tramways Company, over whose tracks passengers now travel for one fare, and benefit by a universal transfer system that is probably without equal on the Continent.

The Montreal Tramways Company has been a consistent pioneer in developing Montreal. Wherever its tracks have gone, communities have sprung up and flourished. Last year 188,000,000 passengers—21 times the total population of Canada—were carried in the Company's cars over its 270 miles of track.

Unlike the record of most cities — even New York — no snow storm in recent years has been allowed to interfere with the continuous service of the Company. 47 powerful snow sweepers, including 6 double-track sweepers recently added, each with two hundred horse-power motors and each weighing 45 tons, enable the street cars to run when all other traffic is blocked. And this in a city where the annual snow fall averages 121 inches.

There are over 3,700 employees trained in the Company's own Training School to such a degree of efficiency that the claims of the Company for accidents are less than half that of most cities in the States.

The 35-year contract negotiated by the present management with the City of Montreal in 1918 and ratified by the Legislature of Quebec by which the City becomes a virtual partner in the enterprise, is considered a model of its kind and its features have been extensively copied by members of the American Electrical Railway Association.

¶ The new issue of $8,000,000 Montreal Tramways & Power Five Year 6% Collateral Trust Bonds is secured by the pledge of Montreal Tramways securities: $7,000,000 Perpetual Mortgage 5% Debentures, and $2,100,000, a majority of the Capital Stock. This pledged collateral will produce substantially in excess of the amounts required to pay interest on these bonds. Such revenue is assured to Montreal Tramways Company by contract between Montreal Tramways Company and the City of Montreal, ratified by the Legislature of the Province of Quebec, which provides for the adjustment of the tariffs of fares to produce such revenue.

This issue is now being distributed by ourselves and associated investment banking firms in Canada and the United States at the price of 99½% and interest to yield 6⅛%. Principal and interest are payable in New York funds. Backed by mortgage securities and the control of one of this continent's most successful Tramways systems we recommend these bonds as a secure marketable investment. We shall be glad to send full details and fill orders as long as bonds are available.

Price 99½ and interest to yield 6⅛%

Greenshields & Co

INVESTMENT BANKERS

Montreal: 17 St. John Street

also Mount Royal Hotel Building

Toronto Ottawa

CURRENT OPINION

TOO MUCH BLUE RUIN TALK
(Lethbridge Herald)

A banker from North Dakota was in Saskatchewan recently and in a conversation with a Regina resident said in effect:

"I have ten farmers down where I come from whom I could bring to this province, were it not for one thing. They have sold out their farms at $125 an acre. They have the money and are ready to move. They made a success of farming in North Dakota and they would make a success of farming in Saskatchewan. I could get them up here and settled on the land in a very short time if I could get them through the barrage of blue ruin talk that is laid down in the lounge of every hotel I go into. That is what is keeping them and a lot more like them out of Saskatchewan. They would turn around and go back before they had listened to a tenth of what I have listened to about the inability of farmers to pay their debts, collections, seizures and dispossessions. You couldn't very well blame them."

Saskatchewan has not all these "blue ruin" talkers. Alberta has its share. The man at home seems not to know that on the whole conditions in Western Canada are better than in most countries. He is foolishly spreading abroad a wrong impression, and is harming himself and his country. Any province like Alberta that can produce what its farmers have done this year is not going to wreck and ruin. Our chief trouble is that crop returns are mostly going to pay for the foolishness of past years, unwise investments in too much land, automobiles, and machinery and luxuries. That is the chief reason for our farmers being hard up. Had the profits of the good years of the past been properly conserved even the high cost of labor, and implements would not have prevented most of our farmers from making a good profit from this year's crop. The high overhead expenses are what is eating into crop returns. The country, on the whole, is as good as any in the world, and we should not give it a bad reputation. In many, probably most, cases the failures are not due so much to the country as to the individual.

Buy Good Bonds!

Good bonds, issued by Canadian Governments, Municipalities or strong Corporations, yield from 5.05% interest in the former case to 6.50% interest in the latter case.

Such bonds assure safety of principal and prompt payment of interest, and can be readily sold in case you desire cash.

Let us send you a list of these bonds.

36 King Street West, Toronto. Telephone Main 4280.

Wood, Gundy & Co.

For February Funds

In view of the fact that there is no more large financing contemplated in the near future, it is almost certain that there will be a marked scarcity of high-grade Government and Municipal bonds, and we would advise that you take advantage of the attractive investment opportunities which are now available.

To those anticipating funds in the near future, we would suggest that our new February Bond List contains a wide range of bonds worthy of your immediate attention.

We would be pleased to forward a copy upon request.

Gairdner, Clarke & Co.

312 Bay Street, Toronto, Telephone Elgin 2301 — 212 Dominion Express Bldg., Montreal, Telephone Main 8323

McDougall & Cowans

Members of the Montreal Stock Exchange

130 St. James Street

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TORONTO BOND EXCHANGE
LIMITED

Bonds Bought
Sold and
Exchanged

Toronto 20

Announcement

MONTREAL BOND COMPANY, LIMITED

BEG TO ANNOUNCE THE OPENING OF THEIR OFFICE AT

205 ST. JAMES STREET, MONTREAL

The Company will deal in Government, Municipal, and Corporation Bonds and will maintain an active Trading Department.

A share of your business is solicited and you are invited to make use of our facilities and service.

Phone Main 4453

ROBERT G. SARE, *President*
WILLIAM A. MELDRUM, *Vice-President*
WILLIAM B. LEITCH, *Sec.-Treasurer*

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

Let Collateral Certificates Protect You

The matter of business failures is of grave importance to you; more so, is the means of ensuring freedom from the losses entailed.

Write for booklet, "Lessening Credit Losses."

MERCANTILE BONDS LIMITED
Temple Building
BRANTFORD, ONT.

NEWS AND VIEWS ABOUT BONDS

GOOD RECEPTION TO BIG ISSUE OF TRAMWAYS BONDS

Governments and Municipalities Not in Market For Money

Attention in the bond market has been focused on industrial issues during the past week. The $8,000,000 Montreal Tramways and Power issue was offered in both Canada and the United States, and met with a good reception. The position of the company is such that many investors are attracted who would not consider industrials as a rule. The allotments to dealers were cut to 80 per cent. of their applications. It is estimated that between a million and a million and a half will go to the United States. The issue of Toronto Carpet Company bonds purchased last week by Hanson Bros. and R. A. Daly & Co., have not been publicly offered, but it is rumored that a large block was taken by a large institution.

The market for municipal bonds is still dull and few new issues are being offered for tender. Institutional buyers are accepting only small offers for immediate requirements. Prices on most issues have remained practically the same but some of the Victory Loan issues have shown strength and made small gains.

A period of comparative dullness has been experienced, too, in New York, following the successful flotation of the Japanese loan.

The issue of £750,000 of British Columbia Electric Railway bonds sold in London last week, created a record. It was many times oversubscribed by the company's own stockholders and was bid up on the stock exchange.

Newfoundland "Power" Bonds to Yield 6.60%

MONTREAL.—There was a good reception given to the issue of $1,000,000 of Newfoundland Light and Power bonds this week. This financing represents an entirely new investment of Canadian capital in an important Newfoundland enterprise.

The bonds, which bear 6½ per cent. interest, and mature in 1949, were offered by the Royal Securities Corporation at 98.50 to yield 6.60 per cent.

The history of the company and a record of earnings have already been given in these columns.

Decide to Issue West Kildonan Debentures

From Our Own Correspondent.

Following a conference of Manitoba provincial ministers and the reeve and councillors, it was announced recently that a $72,000 issue of 15-year debentures will be issued by West Kildonan in an effort to pull the municipality out of its financial difficulties.

Against the issue will be charged arrears of taxes and revenue derived from tax sales, and the money secured from the bonds will go to fund the debt now bearing down upon the district.

The question of the marketing of the issue will be discussed at an early date by C. A. Tannor, local member of the legislature, and the provincial treasurer, and there is a possibility the government may give some assistance in the selling of them.

Appoint Receiver For Canada Land Co. Bonds

The difficulties of the Canada Land and Irrigation Company, caused by the depression in Southern Alberta farming operations, have at last resulted in the appointment of a receiver for the 7 per cent. debentures of the company. A statement issued by the company says that nearly £3,000,000 has been put into the company by English investors for irrigation purposes. The low price of wheat and other products, heavy freight charges, excessive taxation, dear labor, restricted credit facilities, and the high cost of living, have so operated against land sales and collections of instalments on land sold, that the directors are of the opinion that the present position and prospects do not afford justification for advising the stockholders to find fresh capital.

NEW BOND FIRM IN TORONTO

Offices have been opened at 320 Bay St., Toronto, by a new firm, McCoo, Padmore & Co., to trade in government and municipal bonds. The partners in the firm are W. R. McCoo, until recently with Campbell, Thomson & Co., and A. S. Padmore, who for some years has been with the Bank of Montreal, Toronto.

THE FEDERAL REVENUES

OTTAWA.—An increase of $23,672,118 in customs and excise revenue of the Dominion for the eleven months of the fiscal year ending to-day, as compared with the eleven-month period of 1922-23, is shown in the monthly statement issued by the Customs Department. The total revenue period of the present year is $274,284,758, as against $250,612,639 last year.

ST. JOHN ISSUES BONDS

The city of St. John, N.B., is issuing $739,000 of five per cent. bonds maturing from five to forty years. It is stated that $246,000 of the proceeds will be devoted to the civic power distribution system. The interest and sinking fund charges in connection with this will be paid by the St. John Power Commission.

February Bond Sales

Canadian bond sales during the month of February amounted to $20,485,263. Of this amount $15,735,263 was raised in Canada, $1,000,000 in the United States and $3,750,000 in London. The record for February and for the first two months of the year is as follows:

Municipal	$5,435,263
Provincial	2,000,000
Corporation	13,050,000
Total for February	$20,485,263
Where Sold	
In Canada—	
Municipal	$5,435,263
Provincial	2,000,000
Corporation	8,300,000
	$15,735,263
In United States—	
Corporation	1,000,000
In London—	
Corporation	3,750,000
Year to Date	
January	x$80,354,915
February	20,485,263
	$100,840,178

x Includes Newfoundland, $3,000,000.

FINISH POWER PLANT ON AVON RIVER, N.S.

Bond Issue of $250,000 Being Offered by Johnston and Ward

From Our Own Correspondent.

MONTREAL. — Bonds to the amount of $250,000 are being offered of the Avon River Power Company of Nova Scotia. The company operates power-producing plant in the Annapolis Valley and last month turned on the power from a unit of 2,500 h.p. built on the Avon River, not far from Windsor, N. S.

The bonds, which bear 6½ per cent. interest and mature in thirty years are being offered by Johnston and Ward at par. The bonds are secured by a first mortgage on property that has been valued by the board of commissioners of public utilities of Nova Scotia at $424,000. It is understood that about $50,000 additional has been spent on the properties since the valuation for rate fixing purposes was made. Earnings, as estimated in accordance with Nova Scotia laws that permit a utility to earn 8 per cent. on its fair valuation, will be more than twice bond interest the circular offering the issue points out. There is a sinking fund provision.

The company has a power site capable of developing an additional 3,000 h.p. The power will be sold for domestic and industrial purposes in Windsor, Wolfville, Kentville, and other towns in the Annapolis Valley.

Toronto Will Borrow Heavily During 1924

According to estimates made by Finance Commissioner Ross, the amount of new capital to be raised by the city of Toronto during the present year, totals at least $25,000,000. This is made up of $4,500,000 of unnegotiated debentures and $8,000,000 for new proposals. In addition there is the street railway arbitration award. The exact figure of this award is, of course, unknown, but, with interest from September, 1921, it will involve many millions. The local Hydro Commission will later bring forward a capital program of approximately $3,000,000, and $3,000,000 of local improvements may be ready to fund this year.

Following the heavy borrowing program of the past three years, the city's demands have reached huge proportions. From 1921 to 1924 approximately $105,000,000 of City of Toronto bonds have been sold in the open market. This figure is greater than the whole city debt in 1920. The capital expenditures proposed this year will increase the city's annual tax burden by $228,000.

Province to Guarantee Municipal Bond Issues

A bill has been introduced in the Ontario Legislature, to enable the Government to guarantee debentures of the town of Haileybury. The money will be used to repair the damage done by the fire in 1922. The list of works is:

$3,705.60 for cement sidewalks.
$15,000 for fire hall and equipment.
$20,000 for pumping station.
$5,000 for motor fire engine.
$16,217.55 for cement sidewalks.
$2,352.61 for mater mains.
$1,724.26 for sanitary sewers.

It also provides for the guaranteeing of $150,000 of bonds of the town of Cochrane for sewerage and waterworks extensions. In addition the bill proposes that the province will guarantee $100,000 of Kapuskasing bonds, also for sewer and waterworks improvements.

SAYS BIG GERMAN LOANS WOULD NOT SOLVE DIFFICULTY

Economist Warns Against Forcing Rapid Exchange Fluctuations

Speaking before the Ottawa Canadian Club this week on the international financial situation, Dr. B. M. Anderson, Jr., economist of the Chase National Bank of New York, said that it would be a mistake to float a vast German loan of billions of dollars to make reparations payments to France, even if German credit could be so restored as to make this possible. He said that it would be better for France and for the world at large to have such payments made in the form of annuities, and better still, in monthly or quarterly payments. The sudden transfer of great sums from one country to another would lead to violent disorders in the foreign exchange markets, and in related commodity markets. The French Government would be unable to make properly effective use of billions of dollars in paying off its internal debts which run in francs, because dollars would fall in Paris as they were converted into francs. French imports would increase very rapidly, and would take the form of consumption goods, rather than of capital equipment. Neither the French Government nor the French people would get anything like so much benefit from this process as from the more gradual receipts of funds which could be used in paying interest and amortization on the French internal debt. Meanwhile, the world's capital supply, depleted by nine and a half years of war and waste, would be severely strained by such a loan.

Dr. Anderson indicated that these arguments would not preclude modest loans necessary to tide over the financial rehabilitation of Germany, or modest sales of German bonds to give France money to meet a current emergency. He spoke also of the possibility of specific gold loans to France and Germany, as part of a general settlement, which would aid in the stabilization of currency by actual gold redemption at new gold pars.

S. W. Strauss & Co. have purchased and are offering an issue of $750,000 first mortgage 6½ per cent. three to fifteen-year serial bonds of the Nineteenth and Spruce Streets Corporation.

UNLISTED BONDS
(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	..	96
Alabama 5% 1962	..	..
Algoma Steel 5% 1962	..	35
Ames Holden 6% 1947	42½	..
Belding 5% 1936	86	..
Brandram-Henderson 6% 1939	90	..
Belgo Can. Paper 6% 1943	..	96½
Brompton 8% 1941	108	110
Brompton 6% 1939	..	99
Burns, P. & Co. 6½% 1943	98½	100
Bay Sulphite 6½% 1943	..	..
Calgary Brewing 5% 1942	76	79
Can. Steamship Lines 7% 1942	94½	95½
Can. Light & Power 5% 1949	72½	74
Consumers Glass 6% 1935	85	87½
Can. Nor. Rly. Income 5% 1930	51½	53
Can. Steel Foundries 6% 1936	97½	..
Can. Car. (Scrip) 6% 1927	..	..
Dom. Iron 5% 1939	70	
Davies, Wm. 6% 1942	..	84½
Dom. Power 5% 1932	91	..
Dom. Textile 6% 1949	..	..
East Koot. Power 7% 1942	97½	..
Fraser Co. 8% 1941	..	..
Frontenac Brewery 6% 1951	87	88
G.T.P. 4% 1955	72½	..
G.T.P. Sup. 4% 1955	74½	..
Holt, Renfrew 5½% 1937	..	96
H. Smith Paper 7% 1941	97½	98½
H. Smith Paper 6% 1934	99½	..
Lake Sup. Paper 6% 1941	104½	..
Laurentide Pow. 5% 1946	96½	98
Laurentide Pow. 6% 1936	95½	98
Maple Leaf Milling 6½% 1943	99½	101
Maisonneuve 5% 1954	..	..
Man. Power 7% 1941	100	100½
Mattagami 6% 1937	60	..
Mattagami Deb. 7% 1949	..	24
Montreal Tram. 6½% 1924	..	..
Montreal Pub. Ser. 5% 1942	..	..
Montreal Pub. Ser. 6½% 1924	99	100½
Montreal Steel Works 6% 1940	99	..
Montreal W. & P. 4½% 1932	..	..
Montreal W. & P. 5% 1932	..	..
Nor. Ont. Power 6% 1931	91½	92½
N.S. Steel 6% Deb.	..	75
Ottawa Gas 6% 1939	100	..
Ottawa Gas 5% 1934	..	99
Ontario Pulp 6% 1931	103	..
Price Bros. 6% 1943	99½	100½
Paton Mfg. Co. 6% 1953	92	..
Provincial Paper 6% 1940	..	100
Porto Rico Rly. 5% 1962	64	66
Quebec Power 6% 1953	94½	95½
Quebec Jacques 5% 1931	82½	90
Shaw. Cotton 6% 1949	75	81
Shawinigan 5% 1934	102	..
Shawinigan 5½% 1950	102	..
Shawinigan 6% 1950	103½	..
South Canada Power 6% 1948	99½	..
Spanish River 8% 1941	106½	107
St. Maurice Power 6½% 1953	105½	..
Toronto Power 5% 1924	99½	100
Wabasso Cotton 7% 1947	97½	..
Windsor Hotel 6½% 1943	..	..
West. Koot. Power 6% 1943	99½	..
West. Power 5% 1949	86½	87½
West. Power 7% 1926	98	..
West Quebec Pow. 6½% 1931	..	..
Winn. Elec. 6% 1943	91½	..
Chicoutimi Pulp 6% 1943	..	..
Montreal L. H. & Pr. 5% 1933	96½	..

TORONTO CURB QUOTATIONS

	Bid	Asked
Abitibi Gen. Mortgage 6% 1940	95	97
Amer. Sales Book 6% 1927	98	..
Ashdown Hardware 5% 1928	94	..
P. Burns Co. 6½% 1943	98	100
Can. Machinery 6% 1940	70	75
Pedlar People 8% 1934	100	..
Whalen Pulp 6% Ser.	55	62
Whalen Pulp 7% Deb.	15	18

Prudential Trust Drew $150,000 Out of Surplus

MONTREAL. — The Prudential Trust Company, in its financial statement for the year ended December 31, 1923, shows a net profit of $2,342, and calls upon its profit and loss balance for over $150,000 to cover estimated losses and adjustments. Gross revenue for the year is shown at $103,167, while costs of management, legal and all other expenses, amounted to $100,824. The sum of $78,151 was required to provide for estimated losses on revaluation of assets, and the further sum of $73,144 was debited as representing the difference between the par value of the old common stock and the new common stock issued in exchange.

NEW MONTREAL BOND HOUSE

Three local men have joined to form the Montreal Bond Company. They are R. G. Sare, formerly a partner of Stanley May and Company; W. A. Meldrum, late of the Bank of Montreal; and W. B. Leitch, formerly advertising manager of the Merchants Bank of Canada.

The new house will deal in government, municipal and corporation bonds and will conduct a general investment business.

BOND MOVEMENTS OF THE WEEK

Week Ending March 4.

BONDS	Int. Rate	Due Year	Yield	1923 Range High	1923 Range Low	1924 Range High	1924 Range Low	Latest Price Ask	Latest Price Bid	High	Low
Bell Telephone	5	1925	5.13	101	97¾	100½	99¼	100½	99½	99¾	—
Can. Cement	6	1929	5.50	103½	100	103½	100½	102½	—	102½	—
Cedar Rapids	5	1953	5.08	98½	93	98¾	95	100¼	98½	98¾	—
Can. S. S. Lines, debs.	5	1943	7.53	81¾	75	74	70½	74	—	74	70½
Can. Cottons	5	1940	5.94	90	85¾	90	90	90	—	90	—
Dom. Iron	5	1929	7.29	94	84¾	89	85	91	89½	89	—
Elec. Devel.	5	1933	6.32	98¾	98	97½	97½	98½	—	97½	—
Dom. Textile (A)	6	1925	6.00	100⅛	99¾	101⅛	100	100¼	100	100	—
Penman's	5	1926	6.48	97	93¾	97	95	97¼	—	96	—
Quebec Rly.	5	1939	6.87	83½	68	83	80	81¾	—	82	81¾
Sao Paulo	5	1929	7.52	90¼	86	88	86½	88½	88	88	—
Sher. Williams	6	1941	5.86	102½	99	101¾	101	101⅝	101	101⅝	101½
Steel of Can.	6	1940	5.81	102½	99	102	100½	—	101¼	102	—
Wayagamack	6	1951	7.76	86¾	75	80¾	78½	79	—	80	78½
War Loan	5	1925	4.60	100.95	99.10	101.15	100.15	101.05	100.95	100.85	100.80
Do.	5	1931	4.84	101.80	99.80	101.90	100.15	101.25	101.15	101.30	101.05
Do.	5	1937	4.70	103.30	102.00	103.30	102.50	103.00	102.90	103.10	102.95
Victory, Do.	5½	1924	4.72	101.65	99.80	100.90	100.20	100.80	100.70	100.80	100.75
Do.	5½	1927	4.78	103.50	101.60	103.15	102.15	103.00	102.90	103.00	102.80
Do.	5½	1933	4.83	106.70	104.15	106.65	104.95	105.30	105.20	105.25	105.10
Do.	5½	1934	5.17	103.90	101.30	103.30	102.20	102.75	102.65	102.80	102.55
Do.	5½	1937	4.76	108.45	106.25	108.17	107.35	107.65	107.55	107.60	107.35
Do., Renewal	5½	1927	5.08	102.80	100.75	101.80	101.00	101.95	101.70	101.60	101.25
Do., Renewal	5½	1932	5.18	103.15	100.80	102.50	101.35	102.35	102.25	102.20	102.00
Do., Refund	5	1928	4.96	99.70	98.80	100.60	99.40	100.20	100.10	100.15	—
Do., Refund	5	1943	5.02	99.25	97.90	100.30	99.00	99.90	99.80	100.00	99.85

New Issue:
Montreal Tramways & Power Company, Limited
6% Bonds
due 1st March, 1929.
Price: 99½ and interest.
Yielding 6⅛%

Send your old bonds to us for exchange into the new issue.

Matthews & Company Ltd.
Bond Dealers,
Toronto General Trusts Building,
255 Bay Street - Toronto

MINING STOCKS
On all Exchanges,
BOUGHT, SOLD, QUOTED
If you are already a shareholder in any Canadian mine we can give you the latest up-to-date information.
BALFOUR, WHITE & CO.
LIMITED
Members Montreal Mining Exchange
180 St. James Street, MONTREAL

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

FOUNDED HB 1883
6%
Five-Year Gold Bonds
of the
MONTREAL TRAMWAYS AND POWER CO., Limited
Dated March 1, 1924. Due March 1, 1929
Payable, Principal and Interest in Canada or New York
Denominations of $1000, $500, and $100.
Revenue substantially in excess of the amount required to pay interest on these Bonds is assured by the terms of the Company's contract with the City of Montreal.
Price 99½ and Interest to Yield 6 1/8%.
Full particulars from
HANSON BROS.
Investment Securities
160 St. James St. Montreal — 63 Sparks St. Ottawa

We own and offer
William Davies COMPANY, INC.
6%
First Mortgage Bonds
Due Nov. 1st, 1942
Price: To Yield 7.30%

1. Business established nearly 70 years.
2. Largest packers of hog products in the British Empire.
3. Assets pledged, represent security of approximately $4,000 behind every $1,000 bond outstanding.
4. Net earnings five or six times bond interest requirements.

Ask for Circular
C.C. SMITH & COMPANY
LIMITED
Investment Bankers
17 St. John St. Montreal
PHONE - MAIN 412

MARITIME SECURITIES
Bought, Sold, Quoted.
Thomas, Armstrong, & Bell
LIMITED
1-3-5 Market Square. St. John, N.B.

We trade in
UNLISTED
STOCKS AND BONDS
G. C. Williams & Co.
6 King St. W., Toronto
Phones: Adel. 1762-2048-4821

Bruneau, Labelle & Co.
55 St. Francois Xavier St.
Main 3989 MONTREAL
Mining & Investment Securities
Correspondence Invited.

TENDER FOR DEBENTURES

TOWN OF DRYDEN

TENDERS will be received by the undersigned until the 15th day of March, 1924, for the purchase of $30,000.00 6% debentures payable in thirty equal annual payments of principal and interest, for the purpose of installing a system of water works in the Town of Dryden, Ontario.

The highest or any tender not necessarily accepted.

J. E. GIBSON,
Clerk and Treasurer.

Dated at Dryden this 20th day of February, 1924.

PENMANS LIMITED

Dividend Notice

NOTICE IS HEREBY GIVEN that the following Dividends have been declared for the quarter ending 30th April, 1924:

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 1st day of May to Shareholders of record of the 21st day of April, 1924.

On the Common Stock, two per cent. (2%) payable on the 15th day of May to Shareholders of record of the 5th day of May, 1924.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Que., 3rd March, 1924.

THE SHERWIN-WILLIAMS CO. of Canada, Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that the 51st quarterly dividend of 1¾%, being at the rate of 7% per annum, for quarter ending February 29th, 1924, upon the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of March, 1924, and that cheques will be mailed on March 30th next.

Books not closed.

By order of the Board.

J. H. GORDON,
Secretary-treasurer.

Montreal, February 26th, 1924.

THE SHERWIN-WILLIAMS CO. of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that Dividend Number 14 of 1½%, for quarter ending February 29th, 1924, upon the Common Stock of the Company, has been declared payable to Shareholders of record the 15th day of March, 1924, and that cheques will be mailed on March 30th next.

Books not closed.

By order of the Board.

J. H. GORDON,
Secretary-treasurer.

Montreal, February 26th, 1924.

The Dominion Bank

NOTICE IS HEREBY GIVEN that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1924, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of April, 1924, to shareholders of record of the 20th March, 1924.

By order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 22nd February, 1924.

CANADIAN CAR & FOUNDRY CO., LIMITED

Dividend Notice

NOTICE IS HEREBY GIVEN that a dividend of Three and one-half per cent. (3½%) on the paid-up Preference Stock of the Company has been declared payable on April 10th, 1924, to Shareholders of record at the close of business March 28th, 1924, being One and three-quarters per cent. (1¾%) on account of arrears and One and three-quarters per cent. (1¾%) for the quarter ending March 31st, 1924.

By Order of the Board.

A. C. BOURNE,
Secretary.

Montreal, Feb. 28th, 1924.

Town of Sudbury
Ontario

TENDERS will be received by the undersigned up to noon, March 12th, 1924, on the following 5½ per cent. instalment debenture issues:

$6,496.03, 10 years from February 19th, 1924.

$16,593.01, 5 years from February 19th, 1924.

The highest or any tender not necessarily accepted.

H. R. GRANT,
Town Treasurer.

TENDERS FOR
COUNTY OF CARLETON DEBENTURES.

SEALED tenders addressed to the undersigned, will be received up to 12 o'clock noon, March 12th, 1924, for the purchase of the following blocks of debentures, all bearing 5½% interest, with coupons attached:

$100,000.00, payable in 5 annual instalments with principal payments being for an even $500.00 or multiple thereof.
52,000.00, payable in 20 annual instalments, with principal payments being for an even $500.00 or multiple thereof.
129,500.00, payable in 20 equal annual instalments.

All tenders to be made "OTTAWA FUNDS."

The highest or any tender not necessarily accepted.

HENRY R. WASHINGTON,
Clerk and Treasurer.

Dominion Power and Transmission Co. Limited

NOTICE IS HEREBY GIVEN that Dividend No. 50 at the rate of seven per cent. (7%) per annum on the Cumulative Preference Stock of this Company has been declared for the three months ending March 31st, 1924, and that the same is payable on April 15th, 1924, to Shareholders of record on the 31st day of March, 1924.

The Transfer Books for the Preference Stock of the Company will be closed from the 24th day of March, 1924, to the 31st day of March, 1924, both days inclusive.

Also a Dividend of one per cent. (1%) on the Ordinary Stock of this Company has been declared and that the same is payable on March 15th, 1924, to Shareholders of record on the 29th day of February, 1924.

By order of the Board of Directors.

WM. C. HAWKINS, Secretary.

Hamilton, Ont., 28th February, 1924.

The Toronto General Trusts Corporation

Dividend No. 111

NOTICE IS HEREBY GIVEN that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending March 31st, 1924, being at the rate of

TWELVE PER CENT. PER ANNUM,

and that same will be payable on and after Tuesday, the 1st day of April, 1924.

The transfer books of the Corporation will be closed from Monday, the 17th day of March, until Monday, the 31st day of March, both days inclusive.

By order of the Board of Directors.

A. D. LANGMUIR,
General Manager.

Toronto, February 26th, 1924.

THE WABASSO COTTON COMPANY, LIMITED

Dividend No. 25

NOTICE IS HEREBY GIVEN that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 31st March, 1924, payable April 2nd, 1924, to Shareholders of record at the close of business on the 14th March, 1924.

By Order of the Board.

JAS. R. RITCHIE,
Secretary-Treasurer.

Montreal, P.Q., February 14th, 1924.

WE WISH TO ANNOUNCE THAT ON THE FIRST OF MARCH

MR. STRATHY R. MACKELLAR
MANAGER OF THE STOCK DEPARTMENT AND

MR. WILLIAM A. PAGE
MANAGER OF THE MORTGAGE DEPARTMENT

who have been associated with our firm for some years were admitted to Partnership.

JOHN STARK & COMPANY
MEMBERS TORONTO STOCK EXCHANGE
ESTABLISHED 1870
ROYAL BANK BLDG. TORONTO

Montreal Tramways & Power Co., Limited
6% Gold Bonds—Due: March 1, 1929
Principal and Interest Payable in New York Funds
Price: 99½ and Interest
Yielding: 6⅛%
R. A. DALY & CO.
Members Toronto Stock Exchange
BANK OF TORONTO BLDG. TORONTO
50 CONGRESS STREET BOSTON

CIVIC AND PROVINCIAL FINANCE

ALBERTA DEFICIT REDUCED NEARLY HALF A MILLION

The Actual Shortage Only $571,684; Debt Charges Bear Heavily

From Our Own Correspondent.

CALGARY.—Public accounts tabled in the provincial legislature show that Alberta was $444,555 better off at the end of the fiscal year than was forecast in the budget. The actual deficit is $571,684, while the estimated deficit was $1,016,239.

This makes the combined deficits of the province for the last three years $4,600,196, made up as follows: 1921, $2,118,210; 1922, $1,910,302; 1923, $571,684.

The total revenue for 1923 was $10,419,146, as compared with an estimate in the budget last year of $10,154,621.

The total expenditures of 1923 were $10,990,830, as against an estimate in last year's budget of $11,170,860, so that the actual expenditure has decreased by $180,030.

In the attorney-general's department the estimated revenue was $2,032,950, while the actual revenue received was $2,356,525, a gain of $323,575.

The municipal affairs department reported revenue for 1923 of $2,522,696, as against revenue in 1922 of $1,830,807, a gain of $691,887. The estimate for 1923 was $2,590,500, so that the actual revenue fell short by $67,805.

Debt Charges Heavy

The provincial secretary's department reports revenue of $2,223,624, exceeding the estimated revenue by $52,634. Under expenditures the big item was for interest and overhead charges, which required $3,221,913 for 1923, which compares with the estimated expenditure under this heading of $3,175,187, whereas the estimated expenditure for public debt in 1922 was $2,796,750. In other words, annual payments on the public debt jumped $425,163 in one year.

The administration of justice cost $1,446,696, as against an estimate of $1,500,376. The expenditure of the preceding year was $1,567,288.

The education department expended $2,245,854, whereas the estimate was put at $2,325,380. The actual expenditure in 1922 was $2,444,689, showing a decrease in one year of $198,835.

The public works department spent $1,137,743, an increase of $31,201 over estimates, and a decrease from 1922 of $160,471.

Reviewing these figures they will be received with some little satisfaction by the public generally, inasmuch as the estimated deficit has been reduced by half a million dollars. It is expected that the revenue from the Liquor Control Act will add very considerably to the revenue of the government, and that when the provincial accounts are tabled next year a big slice of the present deficit will have been wiped out.

Township Gets Small Share of Rural Taxes

The small share of taxes on some farm lands in Ontario which goes to the township is revealed by the statement of the township of Gloucester. The total receipts for the year were $210,467, and the expenditures $212,932. The liabilities are $68,923. The township tax rate is only 5 mills. Thus, on a piece of property assessed at $400, the township taxes are only $2. However, the county taxes on the same property are $12.80, public school general taxes $4, public school trustees rate $8 and the statute labor tax $4.

Red Deer Reduces Debt By $43,830 Last Year

The report of the city of Red Deer, Alberta, shows the outstanding debt as $248,313, of which $194,164 is on account of local improvements. During 1923 reductions of $43,830 were effected. The total receipts for the year were $195,346 and the disbursements $192,249.

The city strikes a tax rate early in the year and thereby avoids much borrowing from the bank for current needs. The city assessment for 1924 is $1,515,035, for public schools $1,876,850, and for separate schools, $47,140. The tax rate for 1924 has been reduced by two mills to 58 mills and it is expected to further reduce the debt by about $25,000 this year.

Seek Power to Control School Expenditures

KINGSTON. — A resolution was introduced at the convention of the Urban School Trustees' Association at Kingston last week, to petition the Ontario Government for legislation depriving city councils of the power to block capital expenditures of school boards. It is intended to compel councils to issue debentures for new schools, but only after a two-thirds vote of the school board, after the Department of Education had approved the proposed site and building, and after the school inspector had certified that additional accommodation is needed.

SYDNEY ACCOUNTS SHORT

Following disclosures of shortages in the funds of several municipalities in Nova Scotia and New Brunswick, an audit has been made of the accounts of Sydney. The auditors reported a shortage of about $1,000 in 1923, resulting in the suspension of City Clerk Currie.

See Loss of Revenues In Income Tax Changes

Wide discussion has been aroused among municipal officials and councils in Ontario by the introduction of a bill in the legislature by F. McBrien, M.M.P., providing for amendments to the municipal income tax regulations. It raises the exemption for married men $2,000 to $2,500, and for unmarried men from $1,000 to $1,250.

While the relief is gratifying to some taxpayers who will benefit, city and town fathers are concerned over the loss in revenue to them. Some officials have felt that greater exemptions should be given to persons living entirely on income from investments, especially in the case of elderly people who have saved all their lives and suffer heavily under present rulings. On the other hand, some believe the reverse action should be taken. They point out that incomes from investments is constant whereas that from other sources may not be. Thus, if a taxpayer becomes ill, the income from the former continues, but, in the case of the latter it often does not.

The assessment department of the city of Hamilton calculates that the proposed changes will cause a loss to the city of $87,802 each year, the total assessment being reduced by $2,743,830. In order to make up for this loss it is estimated that .62 of a mill would have to be added to the ordinary taxes on property.

ONTARIO CITIES CUT ESTIMATES FOR 1924

Toronto Rate 30 Mills; General Expenses Lower but Education Cost Shows Increase

Municipal councils are now struggling with estimates in an effort to stem the rising tide of expenditures. The call of the taxpayers for retrenchment in Dominion, provincial and municipal affairs has become insistent and those responsible realize that they must head the demands.

The departmental estimates of Toronto have been subject to a rigorous paring and every doubtful necessity has been held up. The recommendations for salary increases were reduced and finally thrown out entirely. The result of the general curtailment is that the city's budget makes possible a reduction in the tax rate. There is an increase of $37,000 in the tax levy but this is small compared with one of $1,145,934 in 1923. The amount to be expended on city administration is less by $151,060 than last year but the cost of education has risen by $187,881. The 1924 tax rate will be 30 mills.

The estimates of London have been cut by $25,000 from the figures of last year, but there is a possibility that further reductions may be effected at a later meeting of the council. If not the rate will likely be 35 mills.

The estimates of the city of Hull are for revenue of $470,000, an increase of $20,000 over last year and expenditures of the same amount. The tax rate remains unchanged at 15 mills.

Stratford officials are faced with heavy demands this year but they are trying to keep within last year's figures.

WINNIPEG SINKING FUND IS PROFITABLE

Earnings Exceed Requirements By $541,123; Use Surplus to Reduce Tax Burden

The healthy condition of the city of Winnipeg sinking fund is revealed by the report of the operations of the Sinking Fund Trustees in 1923. During the year they earned $541,122.58 more than they were required to secure. They gave the city $100,000 for the pension fund and $200,000 to set up a reserve for uncollectable taxes, and purchased and retired $158,000 of civic debentures before maturity. They also transferred $50,000 to investment reserve, which now stands at $500,000 and wrote off in premiums on investments $92,947. The total earnings for the year of $1,053,352 are an average of 6.243 per cent., which is high in view of the exceptional security of the investments allowed. The administration expenses were only $17,741.

The gross debt of the city, on January 1, 1924, was $50,408,504. Against this amount the sinking fund now stands at $14,268,727, or $283 for each one thousand dollars of bonded indebtedness.

The total assets of the sinking fund are $284,770 less than a year ago, but this is accounted for by the fact that during the year Winnipeg securities to the value of $2,074,791 were retired. The par value of the securities held is $1,100,000 greater than the values at which they are placed on the books. The surplus carried forward is $87,482.

The careful management displayed may be seen in the fact that only $27,614 of arrears of interest and principal are reported. Moreover in excess of 25 per cent. of the assets are invested in Dominion, provincial and government guaranteed bonds. The care shown in the management of the fund has been a material factor in reducing the tax burden of the city.

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Co., reports ore receipts at Trail Smelter for the period February 15 to February 21, amounting to 10,270 tons.

PLEA FOR REDUCTION IN SCHOOL EXPENSES

Saskatchewan Minister Tells Trustees Provincial Grants Double Manitoba Figures

REGINA.—A plea for economy in school expenditure in Saskatchewan was made by Hon. S. J. Latta, minister of education, at the annual convention of the Saskatchewan School Trustees' Association recently. He pointed out that the expenditures of the Department of Education had increased from $1,087,821 in 1915-16 to $3,390,898 for the year 1922-23.

"Much of this increase is due to the increase in our school population," said Mr. Latta, "the enrolment in our elementary schools alone increasing from 111,059 in 1914 to 178,311 in 1923. The number of school districts increased nearly a third in the same period, from 3,523 in 1914 to 4,541 in 1923."

He said that this increase in the school population was only partly responsible for the increased cost, as the department had, at the request of the people, introduced many new lines of work in recent years, these including the teaching of domestic science, consolidated schools, school agriculture, school hygiene, education of soldiers' dependent children, building of teachers' residences, etc.

Mr. Latta pointed out the difficulty of reducing department costs in the face of the increased grants, saying: "Our school grants have increased from $745,896 in 1915-16 to $1,818,112 in 1922-23. We are paying higher grants than any of the other provinces in the Dominion. Manitoba on one side of us pays in school grants $375 and Alberta on the other side of us $507 to exactly the same kind of school which receives from the Saskatchewan government every year in grants $798, more than twice what Alberta pays. I can easily cut down our annual expenditure a million dollars if you will be willing to have our school grants brought down to the same level as Manitoba."

Victoria Reduces Debt Over Seven Year Period

VICTORIA.—A statement has been prepared by the city comptroller of Victoria, B. C., showing how the debt has been reduced in seven years.

The gross debenture debt on January 1, 1924 the statement pointed out, was $17,152,665, while on January 1, 1917, it was $18,789,094. The additions to the debt since 1917 have totaled $4,448,053, and the retirements of bonds were $6 084,482.

The excess of retirements over additions during the seven years was $1,636,429, and to this amount the comptroller added $112,254, which is the amount of debentures not presented for payment but provided for.

Increase Woodstock Tax Rate to Forty Mills

According to Mayor Rea, the tax rate of Woodstock will be increased from 37½ mills to 40 mills this year. However, this city is said to have the lowest per capita assessment of any in Ontario. The taxable land is only $158 per head. This can be compared with the land valuation of the following cities: Toronto, $638 per head; Windsor, $554 per head; Hamilton, $396 per head, and Brantford, $261 per head.

MUNICIPAL REPORTS

The total liabilities of the town of Leamington on Dec. 31, 1923, were $692,885, according to the statement now published. The receipts for the year totalled $661,629 and the expenditures were $659,421.

According to the financial statement for 1923, the corporation of Capreol, Ont., the debt is now $106,045, of which $15,500 is local improvements, and $12,000 electric light. The expenses for the year were $19,363, and the revenue $19,522.

Tenders and By-Laws

TENDERS WANTED

Mar. 10, Vernon.—$31,000, 5½%, 15-yr. debentures. J. G. Edwards, City Clerk.

Mar. 15, Dryden.—$30,000, 6%, 30-yr. debentures. J. E. Gibson, Clerk and Treasurer. (See announcement on page 16.)

March 10, St. Lambert, P.Q.—$350,000, 5½%, 30-yr. bonds. James R. Beatty, secretary-treasurer.

March 10, Sherbrooke, P.Q.—$210,000, 5%, 30-yr. serial bonds. E. C. Gatien, secretary-treasurer.

— St. John.—$739,000, 5%, 5 to 40-yrs.

March 12, Sudbury.—$23,089, 5½%, 5 and 10-yr. debentures. H. R. Grant, Treasurer. (See announcement on page 16.)

March 10, Windsor, Ont.—$405,400, 5¾%, 30-instal. debentures.

Mar. 12.—County of Carleton.—$281,500, 5½ per cent., 5 and 20-instal. debentures. H. R. Washington, Clerk & Treasurer. (See announcement on page 16.)

SASKATCHEWAN

Authorizations Granted by the Local Government Board from Feb. 1, to Feb. 28, 1924.

Schools—Silent Call, $3,600; Penzance, $8,000; Mornimont, $5,000; Sister Butte, $1,500.

Debentures Reported Sold

Schools—Success, No. 2053, $3,500, 10-yrs., 7%, Cross & Co., Regina. Loreburn, No. 1948, $20,000, 20-yrs., 6¼%, G. Moorehouse & Co., Regina. Vernon Hill, No. 4510, $1,500, 15-yrs., 7%, Regina Brokerage & Inv. Co.

Telephones—Pambrum, $2,000 15-yrs. 6¾%, Regina Brokerage & Inv. Co. Bruno, $1,050, 15-yrs., 7½%, J. Burnett, Regina. Naseby, $700, 10-yrs., Cross & Co., Regina.

Village—Hodgeville, $1,800, 10-yrs., 8%, Cross & Co., Regina. Town of Estevan, $2,200, 15-yrs., 7%, Locally.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date—	Place—	Sold To—	Rate	Term	Amount	Price	Basis
Feb. 28	Saskatchewan Schools, etc.	Various	..	..	$52,550	..	..
Feb.	Hawkesbury	Municipal Bankers Corp.	6%	20-ins.	19,043	102	5.75

How Much Can Money Safely Earn

Many are satisfied with 3%. Others seek excessive yields and thereby endanger both interest and principal.

Your money can earn 6 or 7% at present, with ample security. Write for our selected list of Bonds and Preferred Stocks. They have all been submitted to a thorough scrutiny.

Over 22 years Investment experience.

RENE-T. LECLERC
Incorporated
Montreal- 180, St. James St.
Quebec- 74, St. Peter St.
(ESTABLISHED 1901)

WESTERN BOND ISSUES
We Specialize in Western, Provincial, Municipal and School Bonds
Lougheed & Taylor, Limited
CALGARY, ALTA.

VERSAILLES-VIDRICAIRE-BOULAIS
LIMITED
Investment Bankers
MONTREAL QUEBEC OTTAWA
Quebec Municipals and Industrials a Specialty

MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
CONTINENTAL LIFE BUILDING
ADELAIDE 5283 - TORONTO

BURNETT PORTEOUS & COMPANY
Members Montreal Stock Exchange
17 St. John St.
MONTREAL

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO.
Telephone Adel. 3571

DIVIDEND NUMBER 121
HOLLINGER CONSOLIDATED GOLD MINES, LIMITED
(No Personal Liability)

A DIVIDEND of 1% on the outstanding capital stock of the Company has been declared payable on the 24th day of March, 1924, on which date cheques will be mailed to shareholders of record at the close of business on the 6th day of March, 1924.

Dated the 28th day of February, 1924.

D. A. DUNLAP,
Treasurer.

Bonds

A revision of your holdings may be to your advantage. We will be glad to advise you.

C. H. Burgess & Co.
GOVERNMENT & MUNICIPAL BONDS
14 KING ST. E. TORONTO.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE: MONTREAL

Assets
Two Hundred Million Dollars

You can rest assured

OSLER, HAMMOND & NANTON
WINNIPEG
Stocks and Bonds
Insurance
Mortgage Loans
Farm Lands

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO, ONTARIO.
STATEMENT SHOWING THE PROGRESS OF THE COMPANY BY DECENNIAL PERIODS

YEAR	INCOME	ASSETS	PAID TO POLICYHOLDERS	BUSINESS IN FORCE
1873	$16,435	$23,144	$2,687	$701,100
1883	199,182	529,204	62,596	6,572,719
1893	626,208	2,570,820	212,828	17,751,107
1903	1,561,070	7,283,158	493,721	37,587,552
1913	4,169,660	22,252,724	1,396,445	87,392,027
1923	13,448,769	59,727,388	5,369,743	269,982,566

HUME CRONYN, President. CHARLES RUBY, General Mgr.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$81,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary W. H. HUNTER, President G. R. COTTRELLE, Treasurer

Its High
Cash Value

At any time in its history, a Great-West Life policy was mighty good property to own. In the light of this Company's great achievement, culminating in its thirty-first (1923) report, it is splendid collateral. Apart from the immediate protection it gives, it carries a cash value that few real estate or stock securities can offer.

THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG

THE MONARCH LIFE
IS A
GOOD COMPANY
Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

Shrewd Financiers
recognize the value of Life Insurance as a protection for their Investments and Business Interests.

The
DOMINION LIFE
Assurance Company
a well-established, strong, progressive Canadian Company issues policies to meet every need.

Head Office
WATERLOO, ONTARIO

INSURANCE FOR BUYER AND SELLER

RETAIN CONTROL OF COMPANY BY A BUSINESS POLICY

Closed Corporation May Keep Out Undesirable Shareholders

Many executives, and especially those connected with closed corporations, are busily engaged in devising means of keeping the stock of their companies from falling into the hands of undesirable or antagonistic shareholders. The dangers involved in such a case are evident, especially since the affairs are usually guarded closely and each shareholder contributes something more than money to the company by way of advice, etc.

To those who face a situation of this kind the explanation of business life insurance, given at the life underwriters' convention in Toronto recently, by J. Beverley and Duncan S. Robinson, brings a comprehensive solution. Working together these two brothers have gained an enviable reputation in selling business insurance and demonstrated the extent to which business men can secure sound advice in planning their finances from really efficient life insurance men.

Suit Policy to Needs

In outlining their methods of operation, they stressed the necessity of fitting the policy to the needs of the insured. Following on this basis there are three classes of business life insurance — stock, shock and credit. The first is to purchase the stock of a deceased shareholder, the second to reimburse the company for the loss of a valuable officer, who is insured, and the latter to increase the company's credit. A policy for the first purpose must be different than for the two latter.

Outlines Plan

According to Duncan S. Robinson, stock insurance is an extension in a sense of partnership insurance. In selling the need for this protection and explaining the policies he says:

One of three things will happen on the death of any stockholder. His estate will retain the stock and the company will continue to pay dividends on it. The surviving stockholders will purchase the stock from his estate, or in the event of the surviving stockholders being unable to finance the purchase of the stock, the executors of the deceased may dispose of it to other individuals or interests, who may be undesirable, or even hostile.

In the first case, the company will be dividing their earnings with the estate of the deceased who contribute nothing whatever to the success of the company, except the use of their money; suppose the company is making 15 per cent.; they will be paying 15 per cent. for the use of money which they can get from the bank for 6 per cent. or 7 per cent. if they need it. Further, the estate of the deceased must be represented on the board. Widows and their legal advisors, frequently have exaggerated ideas of the profits the business should be making and the dividends they should get on their stock, and sometimes force their opinions on the board with disastrous results.

Control and ownership should remain at all times in the hands of those who have been active in its development and administration. Therefore, the surviving stockholders should purchase the stock from the estate of the deceased.

In order to finance the purchase of stock, capital must go out of the business. When that capital will be required is wholly uncertain. Therefore, the necessary funds cannot be provided by an ordinary sinking fund. The only possible instrument of finance to fit the case is business life insurance, taken out on each stockholder to the amount of his stock holdings. The payment of the first premium on these policies immediately creates the cash capital that will be required to purchase every stockholder's interest on his death without the withdrawal of a cent of capital from the business.

The premiums on the policies should be paid by the company; they will represent from 2 per cent. to 6 per cent. interest on the capital sum involved. The policies should be individual ones on each stockholder with the remaining stockholders the joint beneficiaries in each case. This will ensure, that, on the death of any stockholder, the survivors will be the beneficiaries and can use, as individuals, the insurance moneys to purchase the stock of the deceased.

Draw Up Agreements

An agreement is drawn up between all the stockholders who are insured, obligating the survivors to use the insurance moneys to purchase the stock of the deceased, and obligating the legal representatives of the deceased to accept these moneys in full or partial settlement of his interest, at an agreed price subject to annual re-valuation. This is merely an outline of the agreement.

From the standpoint of the survivors and the corporation, this is undoubtedly sound business policy. At first sight, it may appear to be a selfish viewpoint, which considers only their interests and is unfair to the deceased and their estates. On the contrary, it is the only sound method of positively insuring that each stockholder will have his full interest in the business converted into spot-cash within a week of his death, rather than have his family and estate depend to a large extent on what is, admittedly—in comparison to cash or trustee investments—a semi-speculative enterprise. Few business men, on careful consideration of these two alternatives, will not prefer the former.

This agreement does not cover voluntary sale or withdrawal, as this is outside the scope of business life insurance, but there should be included in the general agreement, or in the by-laws a clause that any stockholder who desires to sell must first offer his stock to the others at an agreed price, subject to annual re-valuation, or at a price to be fixed by them and subject to appraisal and arbitration if not satisfactory—one arbitrator to be appointed by the retiring stockholder, one of the remaining stockholders and one by the two arbitrators thus chosen. If preferred, this method of settling th evalue of a deceased stockholder's interest could be adopted in the agreement referred, this method of settling the value figure now and providing for annual re-valuation. The loan values of the other policies would help to finance the purchase of a retiring stockholder's interest.

If any stockholder is uninsurable, he should agree that, at his death, his interest will be sold to the survivors on the same basis of valuation as provided for above.

The above agreements, backed up by the necessary life insurance, will absolutely ensure three things. (1) Control will always remain in the hands of the active stockholders and no stock will ever get into undesirable or outside hands. (2) Each stockholder will know positively that his estate will receive spot-cash for his interest immediately on his death. (3) Spot-cash will be immediately available for the purchase of every share of stock held, on the death of any stockholder, without any capital going out of the business."

There are several ways of meeting the legal obstacle that a corporation cannot buy its own stock. The one which we use most frequently is to make the corporation the applicant and the remaining stockholders the joint beneficiaries in each policy. For example, in a close corporation with five stockholders, A. B. C. D. & E.: the corporation applies for five policies on their lives; the beneficiary clause in the policy on the life of E reads, "A, B, C, and D jointly or the survivor or survivors, or in the event of the death of all, the ...... Co., Ltd." We believe this meets the situation simply and effectively, it is, of course, absolutely essential that proper legal agreements be drawn up covering the use of the policy proceeds, as outlined in my remarks on stock insurance. In order to avoid any possible trouble with small minority stockholders, we believe it advisable to confine the above method to close corporations, where all the stockholders are insured and share equally in the policy proceeds; this, of course, includes cases where one or more stockholders are uninsurable but are parties to the agreement. Where there is even one minority stockholder, it would seem safer in every case to make the corporation the beneficiary and execute a proper assignment, preferably to a corporate trustee.

Name Beneficiaries

Mr. Robinson warns against naming the beneficiaries wrongly and drawing the agreements improperly. He states that if it is a stock insurance policy, the purpose of which is to enable the surviving stockholders in a close corporation to purchase the stock interests of deceased stockholders, you cannot properly make the corporation the beneficiary (without executing an assignment) because, when the policy becomes a claim, the proceeds are the property of the corporation, which is prohibited by law in Canada from buying its own stock. If the corporation is made the beneficiary in a policy written for stock insurance, it is absolutely necessary to have a proper assignment executed in favor of a trustee, or to take some such similar steps.

In explaining their methods further, Mr. Robinson says:

"An incident which may have a far reaching influence upon the sale of shares in Saskatchewan is a recent decision of the supreme court of Canada, which, in effect, declares that companies operating under a Dominion charter are not subject to the provisions of the Sale of Shares Act. While not attempting to comment upon the decision, there is no doubt but that it will be taken advantage of by certain companies to escape the supervision which it is intended shall be exercised over the sale of their securities in this province by means of the Act. Already certain companies which were refused certificates by the board, are, on the strength of their Dominion charter, selling their shares in Saskatchewan despite the provisions of the Saskatchewan Act, and it is altogether probable that others will follow their example.

"In the past the board has been able to exclude companies whose securities, in its opinion, did not indicate the probability of a fair return. Several notable instances of its having used its authority in this direction to the advantage of the investing public might be cited, particularly the case of the L. R. Steele Co., whose operations have resulted in heavy losses in practically every province of Canada except Saskatchewan, and the fact that the residents of this province escaped what may be described as a financial disaster is due to the board's refusal of its repeated applications to it for a certificate."

Northwestern Mutual Loss Ratio Very Low

Substantial progress is reported by the Northwestern Mutual Fire Association in the financial statement for 1923. The past year was the most successful one experienced since the association was organized 23 years ago. The savings and dividends to policy-holders amounted to $1,009,291, which is a gratifying increase over the figures of 1922. The net cash surplus after providing for all payments and reserves, was increased by $110,933 to a total of $448,402.

The total assets are now $2,491,843, of which $1,689,681 are in high grade securities. The amount paid to policy-holders during the year was $1,286,248.

The statement of Canadian business shows the net premium income for the year as $704,914 in Canada, and the dividends paid on 1922 business as $164,526. The loss ratio after deducting reinsurance was only 38 per cent., which is highly favorable. The expense ratio was 26.8 per cent., making the total of losses and expenses only 64.8 per cent. The results of the year indicate careful management and selection of risks. Much of the success is also attributed to the policy of inspecting properties insured.

The Western members of the Great West Life Assurance Company's Hundred Thousand Club will hold a convention at Victoria, B.C., on March 24, and the following days. In addition to practical business discussions a splendid social program has been arranged.

CHANGES IN AUTO INSURANCE TAKE EFFECT MARCH 1

Reduction in Number of Classes and Some Rates

Evidence of a downward tendency in certain classes of automobile insurance is contained in the changes made by the Canadian Automobile Underwriters' Association recently. The members of this association comprise approximately 80 per cent. of the companies issuing automobile insurance and the rates determined by the association are widely used. The new rate manual issued on March 1 is based on the experience of the past three years. It is expected that this will prove a stable basis, although further readjustments will no doubt be necessary in future years.

While the general tendency of rates is downward, and in some classes substantial reductions are effected, the net result is only a moderate change. The penalty placed against certain districts due to the high losses on some classes of risk illustrates the fact that in automobile insurance, as in other classes, the ultimate rates depend on the ability of the insured group in general to reduce the claims. The rigid enforcement of driving regulations and police protection is a matter of deep concern to all owners of motor vehicles, who pay higher insurance premiums on account of the heavy claims.

Reduce Classes

In making the rates the first distinction is between private or pleasure cars and commercial cars. Several changes have been made to apply to the former. In the case of public liability and property damage cover—the former giving protection against injuring persons and the latter protecting the owner against claims through damaging the property of others—there were formerly 29 classes. The number has now been cut to six. Under the old schedule many different rates were paid, according to the different types of cars. The reduction was effected largely by using the engine as a basis, regardless of the type of body placed on it. A moderate reduction of the rates on public liability has been effected but the rates on property damage are almost the same as formerly.

Collision Changes

The rates on collision policies—that is protection of the insured against damage to his own car in a collision—also show small reductions. Here again the number of classes has been reduced, from twenty-nine to fifteen. There are in general two distinct rates for this class, one for open cars and one for all closed models. The rates on the latter are somewhat higher than on the former.

Fire and Theft Unchanged

The rates on fire and theft protection, which have exhibited a downward tendency due to the mechanical improvements to avoid fire in particular, are on the whole practically the same as last year. Through a reallocation of the classes and standardizing they are lower in some cases but higher in others. Thus in Quebec, and particularly in Montreal, they are increased. This is on account of the experience of extraordinary claims in this district during the past years. In Montreal a flat surcharge is being put in force.

The question of theft has been given much attention. In an effort to cut down losses from this source a reduction of 15 per cent. in the rate on theft policies is allowed in all cases where a standard locking device is attached to the car. It is stated that the use of these is increasing rapidly.

Commercial Car Changes

The same general tendencies are noted in the case of commercial cars. The public liability rates are reduced 15 per cent., while the property damage rate remains unchanged. In the case of collision the number of classes is reduced to 15 as for private cars, and the rates are 20 per cent. lower. No changes are made in the fire and theft rates.

For the purposes of rate making the country is split up into territorial divisions. The rates set by the association apply to the territories of Eastern Canada. They are on the whole the basis for the rates in the four territorial divisions of the Prairie Provinces and the three in British Columbia.

Expansion Demands New Offices in Winnipeg

From Our Own Correspondent.

WINNIPEG.—The rapid growth of life insurance in Winnipeg has necessitated several changes of offices to provide additional accommodation. Larger quarters have been secured by the Manufacturers' Life in the Huron and Erie Building. The Mutual Life of Canada has also added to its offices in the Lindsay building, one of the principal insurance buildings in the city. This building now houses the offices of the Sun Life, the Metropolitan Life, the Standard Life, the Ontario Equitable, the London Life, the New York Life, and the Mutual Life of Canada.

BEATTY INSURANCE DIRECTOR

The office of trustee of the Mutual Life Insurance Company of New York, made vacant by the death of Lord Shaughnessy, has been filled by the appointment of E. W. Beatty, president of the Canadian Pacific Railway. This office is made necessary by the Insurance Act, which requires that foreign insurance companies maintain reserves for the protection of Canadian policy holders.

FREDERICK M. MOFFAT
Trustee in Bankruptcy
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British Empire Underwriters Agency
St. Lawrence Underwriters Agency
Western Assurance Company (Incorporated 1851)
Head Offices: 22 Wellington St., East, Toronto
INLAND TRANSPORTATION
RIOTS and STRIKES EXPLOSION

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

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Seventh Annual Report

BROMPTON PULP AND PAPER COMPANY

L I M I T E D

For the year ending December 31st, 1923

CONSOLIDATED PROFIT AND LOSS ACCOUNT

as at 31st December, 1923

EARNINGS		
After deducting Administrative Expense, Selling Expense and Income Tax		$1,802,163.52
Deduct:		
Depreciation	$326,418.13	
Bond Interest	303,134.00	
		629,552.13
		$1,172,611.39
Deduct:		
Brompton Dividends on Preferred Stock for current year	$160,000.00	
Claremont Dividends on Preferred Stock	17,500.00	
		177,500.00
Surplus for the Year		$ 995,111.39
Deduct:		
Arrears of Brompton Preferred Stock Dividends		160,000.00
Net Amount added to Surplus		$ 835,111.39

CONSOLIDATED BALANCE SHEET

as at 31st December, 1923

ASSETS

CURRENT ASSETS	
Cash	$ 396,280.02
Accounts Receivable	1,142,374.33
Bills Receivable, Trade	24,282.94
Investments	187,461.18
Inventory of Logs, Pulpwood, Paper, Mill Supplies, and Advances on wood operations	3,510,274.49
DEFERRED CHARGES	
Insurance Prepaid	57,603.70
Total Current Assets	$5,318,276.66
FIXED ASSETS	
Freehold and Lease hold Timber Lands, Real Estate, Buildings, Water Powers, Mills, Warehouses, Craft, etc.	18,165,796.69
	$23,484,073.35

LIABILITIES

CURRENT LIABILITIES				
Bank Loans			$1,280,000.00	
Bills Payable, Trade			216,000.00	
Accounts Payable, Trade			648,438.16	
Accrued Charges, including Bond Interest, Pay Rolls and Income Tax			374,318.78	
Total Current Liabilities				$2,518,756.94
CAPITAL LIABILITIES				
Bonds and Serial Notes:— Brompton Pulp & Paper Co., Limited				
Six Per Cent First Mortgage Sinking Fund Bonds, due 1927:				
Authorized		$1,000,000.00		
Redemed		982,000.00		
			$ 18,000.00	
Six Per Cent First Consolidated Mortgage Sinking Fund Bonds, Due 1935		$2,000,000.00		
Unissued	$ 294,000.00			
Redeemed	744,000.00			
In escrow to provide for Bonds due 1927	18,000.00			
Held by Groveton Paper Co. (Subsidiary)	98,000.00			
		1,154,000.00		
			846,000.00	
Six Per Cent. General Mortgage Sinking Fund Bonds, Due 1939:—				
Authorized		$1,000,000.00		
Redeemed		96,800.00		
			903,200.00	
Convertible Eight Per Cent Mortgage Sinking Funds, Due 1941:—				
Authorized		$3,000,000.00		
Unissued $500,000. In Treasury $731,300	$1,231,300.00			
Redeemed	62,500.00			
		1,293,800.00		
			1,706,200.00	
			$3,473,400.00	
Groveton Paper Company, Inc.:— Six Per Cent First Mortgage Gold Bonds, Due 1935		$1,250,000.00		
Redeemed		50,000.00		
			1,200,000.00	
				4,673,400.00
Serial Land Purchase Notes				400,000.00
RESERVES				
Depreciation and Obsolescence			$2,379,576.78	
Bad Debts			45,197.65	
				2,424,774.43
CAPITAL STOCK				
Brompton Pulp & Paper Company, Limited:—				
Preferred:—Authorized and issued 20,000 Eight Per Cent Cumulative Preferred Shares of $100 each, fully paid			$2,000,000.00	
Common:—Authorized 210,000 shares, no par value issued and fully paid, 140,000 shares, no par value			7,000,000.00	
Claremont Paper Company, Inc.:— Preferred:—Authorized and Issued, 2,500 shares of $100.00 each			250,000.00	
				9,250,000.00
SURPLUS				
As on December 31st, 1922			$3,382,030.59	
Deduct Arrears Brompton Preferred Dividends Paid			160,000.00	
Add:				
Earnings for Year		$1,802,163.52		
Less:				
Depreciation	$326,418.13			
Bond Interest	303,134.00			
Brompton Preferred Dividends, current year	160,000.00			
Claremont Preferred Dividends, current year	17,500.00			
		807,052.13		
			995,111.39	
				4,217,141.98
				$23,484,073.35
Contingent Liabilities:— Trade Paper Under Discount		$ 32,328.93		

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Montreal, February 21st, 1924.

Your Directors submit herewith the Consolidated Annual Report of the Company together with Balance Sheet, as at the 31st day of December, 1923.

This Statement includes operations of the Brompton Pulp & Paper Company, Limited, the Groveton Paper Company Incorporated and the Claremont Paper Company Incorporated for the fiscal year, against 14 months' operations of the Brompton Pulp & Paper Company, Limited, and 12 months of its subsidiaries in the previous statement.

Your Company made distinct progress during the period under review, and has considerably improved its liquid position.

The Financial Statement for this period shows earnings, after all Expenses and Taxes of $1,802,163.52, from which amount is deducted Depreciation, $326,418.13; Bond Interest, $303,134.00; Brompton Preferred Stock Dividend $160,000.00 and Claremont Preferred Stock Dividend, $17,500.00; in addition, your Company has paid up the arrears of dividends on its Preferred Stock during the year amounting to $160,000.00, leaving a balance of $835,111.39 carried forward to the credit of Profit and Loss Account.

A Company which will become a subsidiary of your Company has purchased a tract of exceedingly valuable timber limits in the Province of Quebec and the State of Maine in locations tributary to your Company's Mills.

The entire capital stock of the subsidiary will be held by your Company, and the purchase of the limits will be financed by means of an issue of bonds of the subsidiary to be guaranteed by your Company.

Subject to this guarantee, the required amount of bonds, namely $850,000, have been sold on advantageous terms, and your Company will not be required to do any financing in connection with the transaction.

Under the Letters Patent incorporating your Company there is some doubt as to its power to guarantee the bonds of a subsidiary, and at the Special General Meeting following the Annual Meeting you will be asked to authorize the Directors to apply to the Secretary of State of Canada for Supplementary Letters Patent extending the powers of your Company to enable it to guarantee the bonds.

In order to ensure that this authority will be confirmed by the requisite number of Shareholders, all Shareholders who may be unable to be personally present at the meeting are very strongly urged to sign and forward the enclosed proxy.

Your Board of Directors wishes to express its sincere appreciation of the manner in which the staff and entire organization of the Company have performed their duties.

Submitted on behalf of the Directors.

F. N. McCREA, President.

PRESS FOR RETURN OF MILLION LOST IN LUXURY TAXES

Auto Dealers Charge Discrimination—Say Many of Them Were Ruined

Automobile dealers are pressing Ottawa for the return of $1,250,000 luxury taxes collected from the dealers and which they were unable to pass on to the purchasers of the cars owing to the cancellation of the tax. The dealers contend that they were discriminated against and that they, representing one-fifth of one per cent. of the tax payers of the Dominion, should not have to shoulder the burden loaded upon them.

The total luxury taxes collected are as follows:—

On automobiles	$17,655,493.17
On pianos and all musical instruments	1,766,649.91
On jewellery	1,689,365.57
On all other merchandise combined	17,585,465.63
Total luxury taxes	$38,696,934.28

The auto dealers point out that when the tax was imposed in May, 1918, and reimposed in May, 1922, it was made retroactive on automobiles and dealers were forced to pay the tax on all cars they previously had in stock or in transit. When repealed all other lines of merchants were refunded in full for Luxury Tax stamps they had on hand, to the extent of $169,426.97. The stamps performed the same duty as cash advanced by the automobile dealers for the same duty and purpose. Automobile manufacturers operating retail branches throughout Canada were given a refund by the Government of the Luxury Tax they had paid in advance on all the cars they had on hand unsold in retail branches, to the extent of $171,650.35. The Government declined to reimburse the dealers for the Luxury Taxes they had paid in advance on cars on hand and unsold at that date, on the ground that taxes once collected could not be refunded. The grand total refunded was $341,077.32.

Dealers contend that the circumstances under which these refunds were made are identical, but the automobile dealers were discriminated against and suffered a loss of at least $1,250,000 in taxes paid.

The charge is advanced that the non-refunding of this money clearly constitutes unjustifiable discrimination, resulting in the financial ruin of hundreds of dealers throughout Canada, which brought about unemployment—the very thing that the Government claimed they were seeking to avoid by the removal or repeal of the Luxury Tax—and causing serious financial embarrassment and heavy losses for nearly all of those who did survive through being deprived of large sums of working cash capital.

AMES HOLDEN TIRE HAD TRADING PROFIT

First Mortgage Bond Interest Earned But Not the Interest on Income Bonds

From Our Own Correspondent.

MONTREAL.—Ames-Holden Tire presented to the shareholders a few days ago the first annual report to follow the reorganization of the company and the complete divorcement of interest from the former parent company, Ames-Holden, McCready. The report indicates an unsatisfactory profit showing that reflects the difficulties of the present position in the Canadian rubber goods industry. The company had a trading profit that was sufficient to meet depreciation, and interest on first mortgage bonds, but which fell short of meeting interest on income bonds.

Trading profits for the year were $103,102. The sum of $51,664 was written off for depreciation. Interest on first mortgage bonds required $17,500, these two deductions leaving a balance of $33,937. Provision for interest on income bonds, accumulated, but not paid, was $73,402, this creating a deficit of $39,464 for the year. Application of the reorganization surplus of $25,915 leaves a debit profit and loss balance of $13,548.

The president, A. J. Nesbitt, in outlining the situation, says in part:

"The company's total sales for the year show an increase of about 13 per cent. over the previous year. After providing a reasonable amount for depreciation, your company earned a net profit of $33,937.92, being approximately one-half the accrued interest on income bonds for the year. In view of the acute conditions obtaining in the tire and rubber industry, your directors deemed it wise to withhold any payment of income bond interest so as to conserve the liquid resources of the company.

"While 1924 is expected to see a continuation of intense competition, with minimum prices, your directors look forward to a not unprofitable year."

HAMILTON BRIDGE HAS CONTRACT

Hamilton Bridge Works has the contract for the structural steel for the new foundry building Canadian Westinghouse is erecting at West Hamilton.

WIDER MARKET FOR HILLCREST COLLIERIES

Company's Profits Increased and Common Dividends Were More Than Earned

From Our Own Correspondent.

MONTREAL.—Hillcrest Collieries has been finding a larger market for its coal by reason of the fact that the Canadian Pacific Railway now uses Alberta coal farther east than has been the practice in the past. This was pointed out by the president, Sir Charles Gordon, in his annual report to the shareholders.

The report showed considerably increased profits and indicated a goodly margin over bond interest, preferred and common dividends justifying the improvement in the stock market position of the shares during the past twelve months' period. Earnings compare with the previous two years as follows:

	1923	1922	1921
Net profits	$117,958	$ 91,960	$100,101
Misc. rev.	37,704	34,770	33,473
Total net	$155,662	$126,730	$133,664
Bond int.	16,250	16,250	16,250
Balance	$139,412	$110,480	$117,414
Pfd. divs.	49,399	49,399	49,399
Balance	$ 90,013	$ 61,081	$ 68,015
Com. divs.	60,000	60,000	60,000
Balance	$ 30,013	$ 1,081	$ 8,015
Contingent	15,000	......	......
Surplus	$ 15,013	$ 1,081	$ 8,015
Prev. bal.	269,174	268,092	260,077
P. & L. bal.	$284,187	$269,174	$268,092

Working capital position also showed improvement, as may be seen from these figures:

	1923	1922	1921
Cur. assets	$710,331	$615,865	$579,742
Cur. liabs.	129,454	134,906	117,571
Work. cap.	$580,877	$480,959	$462,171

PUBLIC EFFICIENCY NECESSARY TO BRING REDUCTION OF TAXES

(Continued from page 10)

since Frank McNamara was a member of the same institution. Yet, although Mr. Marcil has been a member of parliament, a privy councillor, and Speaker of the House, and notwithstanding that poor Frank McNamara is in heaven, the officials who send out blue-books stubbornly insist that they are still in the gallery, and until quite recently addressed their mail there. Often have I wondered just how many of the dear departed were being still remembered by those mysterious people who dispense blue books so unstintedly!

Costly Commissions

Disraeli said that royal commissions were established to find out what everybody knew before. It was an epigram of more than usual truth; but although it is impossible to point to a Canadian statute and say, "here a royal commission did good," Canada during the past fifteen years has paid out millions to commissions. At one stage during the Borden regime so many of these commissions roamed through the country that Sir George Foster declared they were "as plentiful as blackberries at Kazabuaza." Mr. Meighen revealed an almost equal liking for them; and during the past year Mr. King has had no fewer than six royal commissions going up and down the Dominion at the taxpayers' expense.

Their genesis is quite simple. A government fears to face a question—a problem to be conveniently shelved—political friends in need of a job; and so your royal commission is set up, and, with the usual benedictions, references—and expense money—goes on its costly way. What happens then is told chiefly in the auditor-general's report. Huge traveling expenses, private secretaries for commissioners, clerks, stenographers, prolonged hearings—and finally a report which nobody reads, much less acts upon, and which serves chiefly as additional printing contracts for others of the hungry faithful.

I have sat in the parliamentary press gallery for twelve years. During that time I have seen countless royal commissions come, take their toll, and go; yet offhand I cannot recall a single report of a royal commission being translated into law. Not a single one. Yet people ask why it is that government costs so much!

Then there are special commissioners—specialists brought in to do what ordinary officials cannot do. An illustrious example is Mr. Duncan Marshall, late of Calgary, Alberta, but now a man of the world. Mr. Marshall (to quote a gallery wag) was "sired" out of Alberta by the Farmers' movement. When the votes were counted in '21 he was among the fallen angels — a politician unemployed. But it has been truly said of Liberals and Conservatives alike that while they invariably forget their promises, they never forget their friends; and so Mr. Duncan Marshall was not forgotten. On the contrary, Mr. Motherwell, that amazing minister of agriculture, decided that Mr. Marshall must be made an agricultural commissioner—at $7,000 per year. For nearly two years he has journeyed hither and thither, the greatest tourist of them all; and for the sake of curiosity, if for nothing else, I sincerely trust that parliament is informed of what his vagabondage has cost.

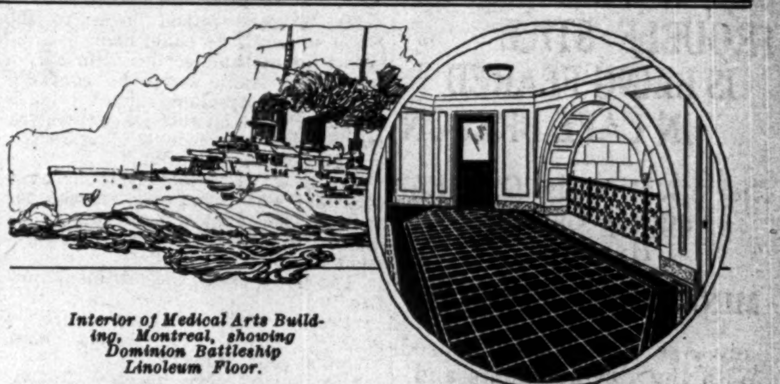
Then there is that rich and colorful personality—Mr. William Pugsley, of St. John. Time was when the Honorable William was a glittering star in the Liberal constellation. In 1919 he passed into eclipse; and, although he emerged to become a Lieutenant-Governor of his province, the end of his term last year found him in need of a job.

He was not long unemployed. For his old friends at Ottawa quickly found that there were Canadians who had reparation claims against Germany; and so what more natural (the existence of the underworked exchequer court to the contrary notwithstanding) than that Mr. Pugsley should be employed to see to it that reparation was demanded and paid? And so we see the Honorable William, whose dulcet tones enthralled us all in the brave days of yore, drawing down $9,000 per year to compel Germany to settle; and it is a moral certainty that she will not settle for a long, long time.

I could go on in a procession of passages in revelation of similar waste on the part of governments, Liberal and Conservative. I could delve into the extravagances and lack of method in government purchases; into the enormous sums spent by ministers, and deputies and officials for traveling expenses upon journeys that are frequently unnecessary and futile; into the amazing abandon with which large sums of public money are placed in the estimates for projects estimable but not vital; into the bureaucratic red tape that prohibits action and efficiency, but space does not permit.

GRAIN AT HEAD OF LAKES

FORT WILLIAM.—More than 59,000,000 bushels of grain of all kinds are now held here, and there is very little movement. Stocks are rising at the rate of about three-quarters of a million bushels weekly, and shipments are dropping considerably, being little more than 600,000 bushels during the week, principally wheat and oats, no rye being shipped at all either this week or last.



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FREIGHT CHANGES HAVE ADVANTAGE FOR THE CHARTERS

(Continued from page 2)

per cent. of those interests who are shipping goods, and who appeared before the committee, are now in agreement with the terms of the suggested re-classification. As a whole there is no general increase of large proportions. Adjustments are naturally brought about through the increase in minimum weights allowed in some instances in car loads, but these have been agreed to by the shippers. This increase, too, is not as great as is at first apparent. For instance, on iron and steel, the former minimum weight for a car was 24,000 lbs. The proposed weight is 36,000 lbs., but actually the cars to-day are loaded heavier than 36,000 lbs., so there is not likely to be any material increase in costs on this score. The average capacity of the cars in use today is about 30 tons, which is 60,000 lbs., and the average weight of cars today is about 19 tons. So, with the increase in the size and capacity of cars, it is only natural that there should be some increase in minimum weight of loads. With the size of loads increased, greater economies will be made by the railways, and it is expected that one of the outstanding results of the new classification will be an increase in the proportion of net profits for the railways on business carried."

As to the general effect of the reclassification on rates, Hardware and Metal was advised that on the average there would be an increase of from 5 to 10 per cent. in general commodity rates, there being some reductions and some advances. On staple articles, principally foodstuffs, there is to be no increase in minimum weights or any other adjustments which would increase distribution costs, and thus raise the cost of living. With such light weight lines there is much shipping in small quantities, and high minimum weights on car loads would work a severe hardship.

TROUBLE STILL IS BEING FEARED IN CAPE BRETON

The Situation is One Requiring Careful Handling

MINERS DISSATISFIED

They Are Not at All Pleased With the Developments and May Yet Reject Agreement —McLachlan's Return

From Our Own Correspondent.

SYDNEY.—Although on the surface tranquility reigns, the actual situation in the Cape Breton coalfield is one which will require careful handling for a long time yet if further serious trouble is to be avoided. At the moment, there is some fear of a new "suspension of work" within the week.

As is to be expected when reason and sentiment are in sharp conflict, the feeling of the men is fluctuating from day to day, and the uncertainty is intensified by various aggravations which come up from time to time.

Last week the general sentiment favored making the best of a bad bargain. Since then the agitation for rejection of the agreement has revived and persons well informed estimate that in an immediate referendum the contract would be repudiated. There is also a strong demand for a new stoppage of work to negotiate a better scale.

These things have been aggravated by the fact that Saturday's pay, the first since the resumption of work, was computed on the 1923 rates. This is really a matter of little consequence, because the company will pay the difference, retroactive to January 15, as soon as the contract is formally ratified. But it doesn't take much to make a sore miner sorer.

The Men Are Sore

The men are sore at the terms of the contract; sore at the provisional officers who negotiated it; sore at what they regard as taxation without representation—and doubly sore because they are forced to put up with these things or forfeit their U. M. W. connection. Obviously the situation presents a fertile breeding ground for trouble.

In view of all these facts there is some doubt, locally, as to the wisdom of the government in releasing James B. McLachlan until after the referendum has been taken, and the issue finally settled. McLachlan will likely not take an active part in the matter, but his homecoming is sure to be the occasion for unprecedented civic demonstrations which will encourage the radicals and possibly induce the miners, in a burst of enthusiasm, to throw everything overboard and reject the agreement.

McLachlan's own advice would probably be against such a move, as his last words to his followers after he was arrested were to "stay in the U. M. W. at all costs and maintain a 100 per cent. strength in District 26."

If the perils of the next few weeks can be safely weathered, the outlook is good for prosperity in the coal industry. John L. Lewis probably recognizes by this time that the provisional executive at Glace Bay can never become the elected executive. Well as these men have served their union in recent crises, in so doing they have won the undying animosity of a majority of the rank and file. The miners, on the other hand, realize that they can never again elect McLachlan and retain their international connection. Meanwhile, discontent grows at the army of well-paid American officials of the U. M. W. maintained in the district by President Lewis, ostensibly as advisors to President Barrett and his local officers, but really in charge of the whole administration of affairs in Nova Scotia.

Obviously this cannot go on much longer, and competent observers expect that within a few weeks, or months at most, Mr. Lewis will order a new election, at which the present provisional executive, as well as the old Red officers will drop out of sight to be replaced by more moderate leaders chosen from the ranks. Such an executive will, of course, be more or less swayed by the influence of the McLachlan men, working both within and without the organization.

Beatty's Job

There is a good story going around now about E. W. Beatty, president of the Canadian Pacific Railway. The other day he walked into one of the small stations of the line on the Island of Montreal to catch a train to the city. The station agent was poring over his books.

"Has No. 18 gone through?" asked Beatty.

The agent was annoyed by the interruption of the stranger. Scarcely looking up from his work, he replied curtly and briefly, "No, and it doesn't stop here anyway."

The "stranger" walked out of the station.

As it happened, the station agent was trying to balance his books, and he was not meeting with much success. It suddenly dawned on him that the visitor had asked for the train by number, and not by its time of arrival as the ordinary layman does. That stamped the stranger as a railway man. The agent called to him as the door was closing on him.

"Say, there, come here a minute You a railway man?"

"Yes, I'm a railway man," said Mr. Beatty.

"Thought so. Think I've seen you around Windsor Station. Do you know anything about balancing books?"

Mr. Beatty walked over to the books to see if he could help.

The agent rambled on: "I'm only a temporary man here," he confided. "That blankety-blank agent who is supposed to be on this job went away leaving his books in a ding-busted, blankety-blank condition."

The C. P. R. president soon found out what was wrong and showed the agent. The agent was profuse in his thanks, and asked: "What department do you work in?"

"I've got a job in the president's office."

"Pretty soft, working there, I guess," mused the station man. "What's your name?"

"My name? My name's Beatty. What's yours?"

DUTY REDUCTION ON IMPLEMENTS POLITICAL MOVE

Suggestion Evidently Made to Conciliate the West

OTTAWA.—It did not take long after parliament opened to precipitate the fight over the tariff. It came the first crack out of the box in the form of the announcement in the speech from the Throne that there would be reductions in the duties on the instruments of production, which everyone believes means chiefly farm implements. Apparently the government thought it had to do this in order to make sure of Progressive support. If such was the intention the manoeuvre succeeded, for right away Mr. Forke came through with an assurance of support, if the government continued in the way it had begun.

Many are eager to know just what is included in the statement, "the instruments of production in the industries based on the natural resources of the Dominion." This, literally interpreted, means a great deal more than farming. As the government is chiefly after the organized farmers' support, it is a fair conclusion that only their implements of production are meant.

The announcement in the speech has precipitated a lively scramble, for naturally the agricultural implement men, having over $100,000,000 invested in the industry, and being worked up over reports that some of their products may be put on the free list, are working strongly against reductions. Arrayed against them are the low tariff advocates, who, thinking this their great opportunity, say that the government must come through.

Not since the days of the memorable reciprocity session of 1911 has there been such a time over the tariff as there is here now. And the fight will get hotter. The first successes in the skirmish have fallen to the low tariff men, but the government cannot afford to let them have their own way. The great question before it is to find a compromise that will satisfy both the East and the West. Just now the political feature is uppermost, and it is true that without a majority the government can't carry on. But Mr. Fielding used to say that policy also should be framed with a view to carrying on successfully after you get into office.

Successful Fur Sales Held at Winnipeg

WINNIPEG.—The Winnipeg Fur Auction Sales Company completed its sixteenth sale during the past week, and furs to the value of $400,000 were disposed of. This makes a total of $1,750,000 for the year. The company has been holding these sales here for the past three years. The first year $1,000,000 of furs were sold. The next year the total was increased to $1,250,000, and this year the total was as stated, making a total for the three years of $4,000,-000. Hyman Yewdall, the manager of the company, says that he hopes within a few years to sell $4,000,000 in a single year. The overhead would be no larger for $4,000,000 than for the present volume.

The Winnipeg Fur Auction Sales Company is made up of fourteen shareholders, representing most of the important wholesale houses here and some few others. The capitalization is only $50,000, but it is ample for the purposes of the company. No furs are admitted to this sale except those from Northwestern Canada. Shipments are made from points as far east as Sudbury, and as far north as the Arctic.

WILL TARIFF CUT TAKE PLACE OF TAX REDUCTIONS

(Continued from page 1)

ployment situation in February is reported by the Dominion Bureau of Statistics. Resumption of work in iron and steel plants led to the reinstatement of nearly 9,000 workers in automobile and railway car shops, and in shipyards. In textiles about 4,300 were added to the payrolls. In sawmills, furniture, boot, shoe, pulp, paper, rubber, tobacco, brick, and some other plants there was considerable improvement; the trend in logging, mining, and railway construction was also satisfactory.

This resumption of industrial activities is dealt with by the Canadian Bank of Commerce, which says that, however, there is no evidence of exceptional activity, except in the pulp and paper industry; heavy taxation is mentioned by the bank as a depressing factor, but an improvement in the Western situation is noted "where payments on debts continue to be made on a larger scale than a year ago," after somewhat disappointing returns during November and December.

Asbestos Corp. in Good Shape But Industry's Outlook Dark

Largest of Producers Felt Burden of Uncertain Conditions During 1923 and President Ross Not Optimistic For Coming Year—Problems of the Asbestos Companies

From Our Own Correspondent.

MONTREAL.—No very promising picture of the immediate future of the asbestos industry in the province of Quebec is painted by W. G. Ross, president of the Asbestos Corporation of Canada, in his annual report to the shareholders of that company. After detailing the difficulties of the past year, and summarizing the year's financial operations, Mr. Ross states:

"The outlook for the coming year is at present not promising, except that the results of the keen competition may run its course, either through the forced retirement from the field of some of the weaker companies or saner business methods, or it may be some regulation of the industry which will tend to stabilize price and production."

The report of the Asbestos Corporation is a sad commentary upon the fall from prosperity of the Canadian asbestos industry. Canadians have become so accustomed to being told that they dominated, and, in fact, almost controlled the asbestos production of the world that it comes as a shock to learn that the Canadian producers are not at the height of prosperity. That they are not so is in some measure their own fault, or the fault at least of some of the Canadian producing companies. Mr. Ross hints at this in his report, for he says: "The reduction in profits has been brought about mainly by unwise competition," and elsewhere referring to the industry more generally he makes the same point; that "while the shipments of asbestos from Canada have shown an increase over the previous year, due mostly to export of low grade material, prices have continued to decline considerably, due largely to unreasonable competition, and have reached a point where the profits of the industry have been seriously affected, and in some companies, obliterated."

It may be pointed out that the asbestos industry in Quebec has been making a keen introspective survey of late and has formulated rather definite ideas of what its needs are. There have been discussions along the line of merging various producers, which discussions have been led by certain banking interests who are definitely interested in the industry from a credit standpoint. The producers have had numerous conferences with the Quebec provincial government to the end of having corrected abuses that exist. One of these abuses is the system of charging royalties to the companies on the basis of a percentage of the gross value of their output. It is felt that at the present time asbestos producing companies that are connected with manufacturing interests in the asbestos industry are able to sell their products or dump surplus production at prices that enable them to avoid payment of a fair royalty, and at the same time seriously affect the markets of the regular producing companies.

The Aims of the Industry

A writer on mining subjects, Alexander Gray, summarized the aims and proposals of the asbestos producers the other day in a few words. He pointed out that:

"The objectives sought by producers may be summarized as: The regulation of production so as to have it conform to demand; uniform prices; stabilized employment and better conditions for employees; retention of predominance in the asbestos trade by Quebec; and the placing of Canadian companies upon the same basis as the American owned mines. As a means to these ends it is hoped the Provincial Government will take the initiative in preventing the exporting of asbestos without a license from the Dominion Government. If possible, standardized prices are to be fixed from time to time by a board of experts on which the Quebec Government will be represented. This board of experts, it is being suggested, should appoint its own inspectors, who will test and seal materials for export. Monthly reports are desired, sworn to by the respective producers or agents, if the plans being laid are consummated.

"A more drastic proposal is the complete divorcement of foreign manufacturing concerns owning or operating their own mines in Canada from manufacturing interests. Furthermore, any license issued is to be revocable at the option of the Governor-General-in-Council, upon proof that a mining company directly or indirectly sell to themselves, to their factories or to any person or company at less than prescribed prices."

It is generally felt that sympathetic co-operation from the provincial government and a closer bond of interest between the companies themselves would bring about conditions of greater prosperity in the industry.

Consideration of the annual report of the asbestos corporation indicates that this company is in a strong position to face any further period of uncertainty, for its liquid position is good and its reserves, built up in the fat years of the past, are substantial. For 1923, as has been mentioned, profits declined and working capital also showed a large drop, not, however, to an alarming point.

Operating profit for the year after taxes was $368,936, about half of the previous year's figure of $727,093.

Income from investments was $183,394, as compared with $152,192. This item includes profit on sale of investments and the increase is probably accounted for by inclusion of such profit, the company's investments being down by about $350,000. Total income was $552,330, as compared with $879,285. Bond interest required the sum of $150,000. No allowance was made for depreciation and depletion of minerals as compared with a write-off of $194,299 the preceding year. Most of this write-off is for exhaustion of minerals, however, and the fact that the King property was in operation only two months out of the twelve would account for the directors finding it possible to forego the write-off this year, the King mine being the largest belonging to the company.

Comparative Profit and Loss

	1923	1922	1921
Profits . .	$ 368,936	$ 727,093	$ 756,644
Invest. inc.	183,394	152,192	136,414
Ne tinc. .	$ 552,330	$ 879,285	$ 893,058
Bond int.	150,000	150,000	150,000
Balance .	$ 402,330	$ 729,285	$ 743,058
Deprec. .	......	194,299	199,800
Balance .	$ 402,330	$ 534,986	$ 543,258
Divids. ..	380,000	460,000	460,000
Surplus .	$ 22,330	$ 74,986	$ 83,258
Prev. sur.	2,211,076	2,136,090	2,052,831
Total sur.	$2,233,406	$2,211,976	$2,136,089

The working capital position of the company over the past two years compares as follows:

	1923	1922
Curr. assets ...	$3,306,962	$3,815,438
Curr. liabs.	188,500	249,004
Work. Cap.	$3,118,462	$3,566,434

New Mill Is Very Modern

Discussing the company's new mill, built at the King's Pit to replace the one destroyed by fire early in 1923, Mr. Ross says:

"The new mill is the finest in the district, built of steel and brick," continues Mr. Ross, "and as far as can be judged, will yield excellent results. The installation of the one-half of the mill more than equals the whole of the old mill, it being the intention of the directors to proceed with the installation of the other half as soon as business shows indications of improvement."

CUTS IN TARIFF WOULD PREVENT TAX REDUCTION

Politics Interfere With the Plans of Mr. Robb

From Our Own Correspondent.

OTTAWA.—The passage of the Longworth income tax reduction schedule in the House of Representatives is sure to have an important bearing on the tariff and general financial discussion in parliament. By this, the income tax rate on incomes below $4,000 in the United States is cut to 2 per cent; to 5 per cent on incomes between $4,000 and $8,000 and to 6 per cent on incomes above $8,000. It also makes the maximum surtax 37½ per cent. on incomes exceeding $200,000. There is also a further cut of 25 per cent. on earned incomes.

These cuts have been made possible, among other things, by the increase in customs revenue, due to the Fordney tariff, the customs revenue having gone up from $292,000,000 in the calendar year 1921 to over $570,000,-000 last year. In other words, the customs revenue has nearly doubled within the last two years, or by an amount very nearly equal to what is expected will be lost through the tax reductions now being passed by Congress.

As a matter of fact these reductions are more nominal in character than anything else. The Republicans knew that they would have to cut the income tax, and abolish the tax on luxuries, telegrams, etc., and so they prepared the way by making sure that the customs revenue would be increased. And so it happens that the loss in the tax cuts now under way will probably not have much effect in general revenue; its only effect being to reduce the surplus which has been running at the rate of about $300,000,000 a year.

Insofar as prospective revenue is concerned, the United States government is in a much happier position than is the government here. From present indications, whatever surplus Mr. Robb may report will probably be swallowed up by the reductions in the tariff. Unless he introduces new taxes, which he is unlikely to do, the acting finance minister has no compensating source from which to draw in order to make up for what he loses through tariff cuts.

LESS COMPETITION FROM EUROPE FOR CANADIAN PAPERS

(Continued from page 1)

relatively small, it has been great enough to disturb the American market most seriously, so seriously in fact that it is quite common to hear well-informed American papermakers say that had it not been for this overseas competition the price of American pulp and newsprint would to-day much higher than it is. The prices quoted by the overseas manufacturers have been so low that a fairly large number of American publishers have been willing until recently to put up with the rather unsatisfactory service the overseas shippers have been giving them. Latterly, however, the difficulty of making adjustments with shippers some three thousand miles or so away have played an increasingly important part in the situation, and the American buyers have been inclined to regard service as being more important than price.

While the trade statistics covering imports of newsprint from overseas for the month of January are not yet available. those for December showed quite clearly that the tide had already turned against the Overseas manufacturers before the close of 1923.

Imports of overseas newsprint into the United States during the month of December totalled 11,538 tons. This was the lowest monthly total since September, 1922, and was the lowest total for overseas newsprint since this paper became a factor in the American paper market. This may be seen from the following tabulation:

Imports of Overseas Newsprint

December—	Tons
1920	23,514
1921	16,692
1922	17,852
1923	11,538

But while the December imports were much lower than they were in December, 1922, the total imports for the year 1923 were much higher than they were in the previous year. The extent of the increase and the volume of the imports since 1920 is shown by the following statistics:

Imports of Overseas Newsprint

Year—	Tons
1920	50,438
1921	135,337
1922	132,888
1923	200,269

CAN RAILROADS HAUL COAL ON SAME BASIS AS WHEAT

(Continued from page 1)

of any commodity can be hauled 1,250 miles at a $5.20 rate per ton, and cannot be hauled the balance of 2,000 miles distance at a like rate per ton per mile.

Other things being equal, coal should not have to pay as high a rate as wheat on a long haul. Domestic coal is worth $4 to $5 per ton at the mine, Edmonton or Drumheller; wheat is worth, say, seventy cents a bushel, or $23.31 a ton at the elevator. A thirty-ton car of domestic coal at an average price of $4.50 per ton at the mine is worth $135. A car of 70-cent wheat of the same tonnage is worth $700 at the elevator. The difference in initial value entitles the coal to a lower rate, according to the rules by which railroad tariffs are fixed. There is not the same risk or leakage or shrinkage in the case of coal as in that of wheat; older and cheaper cars may be used; coal can be hauled with less regard to urgency than wheat for fall delivery. For these reasons, on the long haul from Edmonton or Drumheller to Toronto there should be a lower charge on coal than on wheat. Ten per cent. off $8.32 would bring the rate to $7.49. Twelve and a half per cent. off would bring it to $7.29, and fifteen per cent. off would bring it down to $7.08.

The present C. N. Rys. rate per ton on coal from Edmonton and Drumheller is:

To Toronto, 2,002 miles	$12.70
To North Bay, 1,876 miles	10,90
To Sudbury, 1,735 miles	10.50
To Cochrane, 1,573 miles	9.80
To Fort Wiliam, 1,250 miles	6.50

as against a wheat rate to Fort William of $5.20. These figures unquestionably place upon the railway companies the burden of proof that the present rates on coal, eastbound, are not unjust and discriminatory, as compared with the rates on wheat.

The shipping of Western wheat compels a very considerable expansion of transportation facilities and operations during October and November each year. During the remainder of the year, however, it is contended the lesser needs of transportation leave a large amount of motive power and rolling stock idle, together with the labor only required in operation during the short period of this peak load. This great annual expansion of railroad haulage, followed by a corresponding contraction, which continues throughout the remaining and greater part of the year, constitutes an economic situation that the general business of the country must ultimately pay for. Although the exact cost cannot be arrived at, it must be very great.

CUT IN TARIFF WOULD HANDICAP PLANS GREATLY

Implement Makers and Machinery First Voice Protest

With confidence that the farmers of the country do not desire to benefit in a small way in the price of their implements at the expense of an industry which means a great deal in the prosperity of the country, and is a factor in creating a market for farm products, the Massey-Harris Company has started a series of advertisements to set forth the facts regarding the farm implement industry. For a number of years this big concern, which manufactures equipment necessary to the farm, has been operating without profit on the millions of capital invested. To further reduce the tariff would be a serious matter.

It is pointed out by Thomas Bradshaw, general manager Massey-Harris, that while both the farming and the implement industries are suffering under the conditions prevailing, the proposal to endeavor to re-establish one at the expense of the other is most unreasonable and unfair. At present the implement industry is carrying the lowest rate of duty of any manufactured article; for twenty years reductions have been made and now the tariff is only 10 per cent. The industry is struggling under great difficulties. Under normal conditions 110,000 workers are employed in Ontario. Many of the plants would undoubtedly shut up altogether with a further duty reduction.

In the past three years not one of the representative implement plants in Ontario has made money; on the other hand large losses have been suffered. At Brantford the matter is so seriously regarded that the city council has passed a resolution which views the proposal with serious alarm; the loss of home and livelihood for many citizens is feared. A public meeting of protest has been called.

Automatic Machines, Too

The proposal for free entry of automatic machinery is also meeting with protest. Machinery manufacturers like John Bertram & Sons, of Dundas; Hamilton Gear and Machine Co., of Toronto, and the Canada Machinery Corporation, declare that industry is menaced. Far from agreeing that the free entry of such machinery will stimulate manufacturing conditions and employ skilled labor, these manufacturers declare the proposal is diametrically opposed to the building up of a strong, healthy, metal-working industry.

In the main, any change in the present duty on production equipment is denounced unqualifiedly as a selfish attempt to promote a limited advantage to certain unimportant groups of machinery buyers and sellers, the principals of the "duty free" proponents being advised, if they desire Canadian business, to start branch factories in the Dominion, following, at first, the example of automobile builders who import units or raw material and complete the product in Canada.

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